NDPERS BOARD MEETING
Agenda

Bismarck Location:
Due to public health considerations, and in accordance with Executive Order 2020-16, a meeting room will not be available to the public.

Conference Call #: 701.328.7950
Participant Code: 108660#

Tuesday, April 14, 2020 **Time: 8:30 AM**

I. MINUTES
- A. March 10, 2020

II. PRESENTATIONS
- A. (60 minutes) GRS Experience Study Report (Board Action)
- B. (15 minutes) About the Patient Annual Report
- C. (45 minutes) IT Risk Assessment ***Executive Session**

III. RETIREMENT
- A. Provider Fiduciary Language Amendment Update – MaryJo (Board Action) ****Executive Session**
- B. Shariah-compliant Retirement Plan Accommodations – Scott (Board Action) ****Executive Session**
- C. Required Minimum Distribution Age Change – Scott (Board Action)

IV. GROUP INSURANCE
- A. Health Plan RFP Update – Bryan (Information)
- B. 2019 Sanford Health Plan Claims Review – Bryan (Board Action)
- C. FlexComp CARES Act and Plan Deadline Extension – Rebecca (Board Action)
- D. FlexComp Plan Contract Renewal – Rebecca (Board Action)
- E. Dental Plan Contract Renewal – Rebecca (Board Action)

V. MISCELLANEOUS
- A. Quarterly Consultant Fees – Derrick (Information)
- B. Audit Committee Chair Position – Shawna (Board Action)
- C. Business System Upgrade Statement of Work Contract – Derrick (Board Action)
- D. Legislation – Scott (Board Action)
- E. Coronavirus (COVID-19) Discussion – Scott (Information)
- F. Executive Director Evaluation Report/Recommendations (Board Action)

*Executive Session pursuant to NDCC §44-04-24, §44-04-26 and §44-04-27 to discuss disaster and cybersecurity information, security plan, security-related plans used to protect electronic information or to prevent access to computers, computer systems, or computer or telecommunications networks of a public entity.

**Executive Session pursuant to NDCC §44-04-19.1(2) & (5) for attorney consultation. (Motion is required)

Any individual requiring an auxiliary aid or service must contact the NDPERS ADA Coordinator at 328-3900, at least 5 business days before the scheduled meeting.

North Dakota
Public Employees Retirement System
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Memorandum

TO: NDPERS Board

FROM: Scott

DATE: April 14, 2020

SUBJECT: GRS Experience Study

Bonnie Wurst from GRS will be on the call with us to go over the Experience Study they just completed. We will most likely need Board Action regarding any changes the Board would like to make to our actuarial assumptions as a result of the Experience Study.

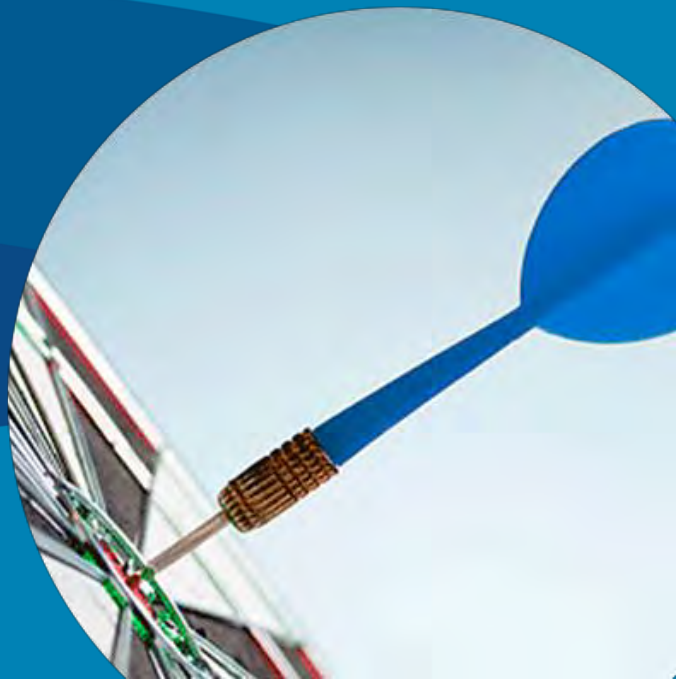
Experience Study Presentation

North Dakota Public Employees Retirement System

Experience Review for the Period
July 1, 2014 to July 1, 2019

Bonita Wurst, ASA, EA, MAAA, FCA
Judith Kermans, EA, MAAA, FCA

April 14, 2020



Agenda

- Introduction
- Economic Assumptions
- Demographic Assumptions
- RHIC Participation Assumptions
- Other Assumptions and Methods
- Cost Impact of Changes

Introduction

- Each year the actuarial liabilities of NDPERS are calculated as part of the June 30th valuation
- In order to perform the valuation, we must make assumptions about the future experience of the System with regard to various risk areas
- The results of the liability calculations depend upon those assumptions

Introduction – Risk Areas

- Demographic Risk Areas
  - Rates of withdrawal
  - Rates of disability
  - Rates of retirement
  - Rates of mortality
- Economic Risk Areas
  - Investment return
  - Inflation
  - Patterns of salary increases

Introduction

- Assumptions should be carefully chosen and continually monitored
  - Continued use of outdated assumptions can lead to ...

Introduction

- Understated costs resulting in:
  - Sharp increases in required contributions at some point in the future leading to a large burden on future taxpayers
  - In extreme cases, an inability to pay benefits when due

Introduction

- Overstated costs resulting in:
  - An unnecessarily large burden on the current generation of members, employers and taxpayers
  - Benefit levels that are kept below the level that could be supported by the employer and member contribution rates

Introduction

- No single set of assumptions will be suitable indefinitely
- Things change, and our understanding of things (whether or not they are changing) also changes
- The suggested time period for reviewing assumptions is about every 3 to 5 years
- A systematic review of assumptions is called an “Experience Study”

Introduction

- Our analysis was based upon data submitted for the 2014 through 2019 annual valuations
- We compared trends with those observed in prior studies
- Generally, we give confirmed trends more credibility than non-confirmed trends

Introduction

- Philosophy: Do not overreact to results from any single experience period
  - It is better to make a series of small changes in the right direction, rather than a single large change that could turn out, with hindsight, to be in the wrong direction
- However, assumptions must be considered reasonable at each valuation date

Introduction

- Economic assumptions are generally based on expectations of future economic conditions, with input from investment experts
- Demographic assumptions are generally based on plan experience, taking into account emerging trends
- A very large amount of data is required to develop a credible mortality assumption. For this reason, we also rely on published mortality tables.

Economic Assumptions – ASOP No. 27

- Guidance regarding the selection of economic assumptions is governed by Actuarial Standard of Practice (ASOP) No. 27
- ASOP No. 27 requires that the selected economic assumptions be consistent with one another
- That is, the selection of the investment return assumption should be consistent with the selection of the wage inflation and price inflation assumptions

Economic Assumptions

- Price Inflation
  - Recommend a decrease from 2.50% to 2.25%
  - Brings assumption closer to recent inflation levels and to levels expected in the financial markets
  - This change impacts other economic assumptions
  - Average annual price inflation (based on CPI-U)
    - 5-year average 1.45%
    - 10-year average 1.73%
    - 20-year average 2.19%
    - 30-year average 2.44%

Economic Assumptions – Investment Return

- Analysis of investment return assumption based on forward-looking measures of likely investment return
  - Reflects NDPERS investment policy
  - Capital market assumptions from 14 national investment consulting firms
  - Utilizes 2.25% price inflation assumption

PERS

Firm	Firm Expected Nominal Return	Firm Inflation Assumption	Expected Real Return (2)–(3)	Actuary Inflation Assumption	Expected Nominal Return (4)+(5)	Investment Expenses	Expected Nominal Return Net of Expenses (6)-(7)	Standard Deviation of Expected Return (1-Year)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1	5.35%	2.20%	3.15%	2.25%	5.40%	0.00%	5.40%	12.20%
2	6.82%	2.50%	4.32%	2.25%	6.57%	0.00%	6.57%	13.00%
3	6.90%	2.50%	4.40%	2.25%	6.65%	0.00%	6.65%	12.45%
4	6.48%	2.20%	4.28%	2.25%	6.53%	0.00%	6.53%	10.29%
5	6.57%	2.00%	4.57%	2.25%	6.82%	0.00%	6.82%	10.85%
6	7.16%	2.25%	4.91%	2.25%	7.16%	0.00%	7.16%	12.61%
7	7.32%	2.21%	5.11%	2.25%	7.36%	0.00%	7.36%	13.16%
8	7.46%	2.26%	5.20%	2.25%	7.45%	0.00%	7.45%	13.66%
9	7.26%	2.00%	5.26%	2.25%	7.51%	0.00%	7.51%	12.43%
10	7.56%	2.31%	5.26%	2.25%	7.51%	0.00%	7.51%	12.14%
11	7.74%	2.30%	5.44%	2.25%	7.69%	0.00%	7.69%	11.42%
12	8.13%	2.15%	5.98%	2.25%	8.23%	0.00%	8.23%	12.98%
13	7.73%	1.70%	6.03%	2.25%	8.28%	0.00%	8.28%	12.67%
14	8.03%	2.00%	6.03%	2.25%	8.28%	0.00%	8.28%	10.86%
Average	**7.18%**	**2.18%**	**5.00%**	**2.25%**	**7.25%**	**0.00%**	**7.25%**	**12.19%**

Firm	Distribution of 20-Year Average Geometric Net Nominal Return			Probability of exceeding 7.50%	Probability of exceeding 7.25%	Probability of exceeding 7.00%	Probability of exceeding 6.75%
	40th	50th	60th				
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1	4.02%	4.70%	5.39%	15.34%	17.58%	20.01%	22.65%
2	5.06%	5.79%	6.52%	27.74%	30.68%	33.76%	36.96%
3	5.23%	5.93%	6.63%	28.54%	31.66%	34.92%	38.30%
4	5.46%	6.04%	6.62%	26.22%	29.86%	33.72%	37.76%
5	5.67%	6.28%	6.89%	30.67%	34.37%	38.23%	42.22%
6	5.72%	6.42%	7.13%	35.06%	38.40%	41.84%	45.35%
7	5.83%	6.56%	7.30%	37.40%	40.67%	44.02%	47.41%
8	5.83%	6.59%	7.36%	38.24%	41.42%	44.65%	47.94%
9	6.10%	6.79%	7.49%	39.91%	43.43%	47.02%	50.64%
10	6.15%	6.83%	7.51%	40.18%	43.79%	47.47%	51.17%
11	6.45%	7.09%	7.74%	43.62%	47.52%	51.46%	55.39%
12	6.74%	7.46%	8.19%	49.48%	52.96%	56.42%	59.84%
13	6.84%	7.55%	8.26%	50.64%	54.20%	57.73%	61.20%
14	7.13%	7.74%	8.35%	53.91%	58.02%	62.05%	65.96%
Average	**5.87%**	**6.55%**	**7.24%**	**36.93%**	**40.33%**	**43.81%**	**47.34%**

Economic Assumptions – Investment Return – PERS and Highway Patrol

- We recommend a decrease from 7.50% to 7.00%
  - Average of median (50th percentile) returns is 6.55%
  - The probability of exceeding 7.5% over the next 20 years is approximately 37%
  - The probability of exceeding 7.0% over the next 20 years improves to approximately 44%

Economic Assumptions – Investment Return – PERS and Highway Patrol

- Based on the data reviewed, we could support an assumption of 7.25% for the valuation as of July 1, 2020
  - However, this is at the top of the reasonable range
  - If capital markets decline, this assumption might not comply with actuarial standards in 2021 or later
  - A rate of 7.0% would be more likely to be sustainable for a longer period

Economic Assumptions – Investment Return - RHIC

- We recommend a decrease from 7.25% to 6.50%
  - Average of median (50th percentile) returns is 5.98%
  - The probability of exceeding 7.25% over the next 20 years is approximately 31%
  - The probability of exceeding 6.5% over the next 20 years improves to approximately 42%

Economic Assumptions – Investment Return – Job Service

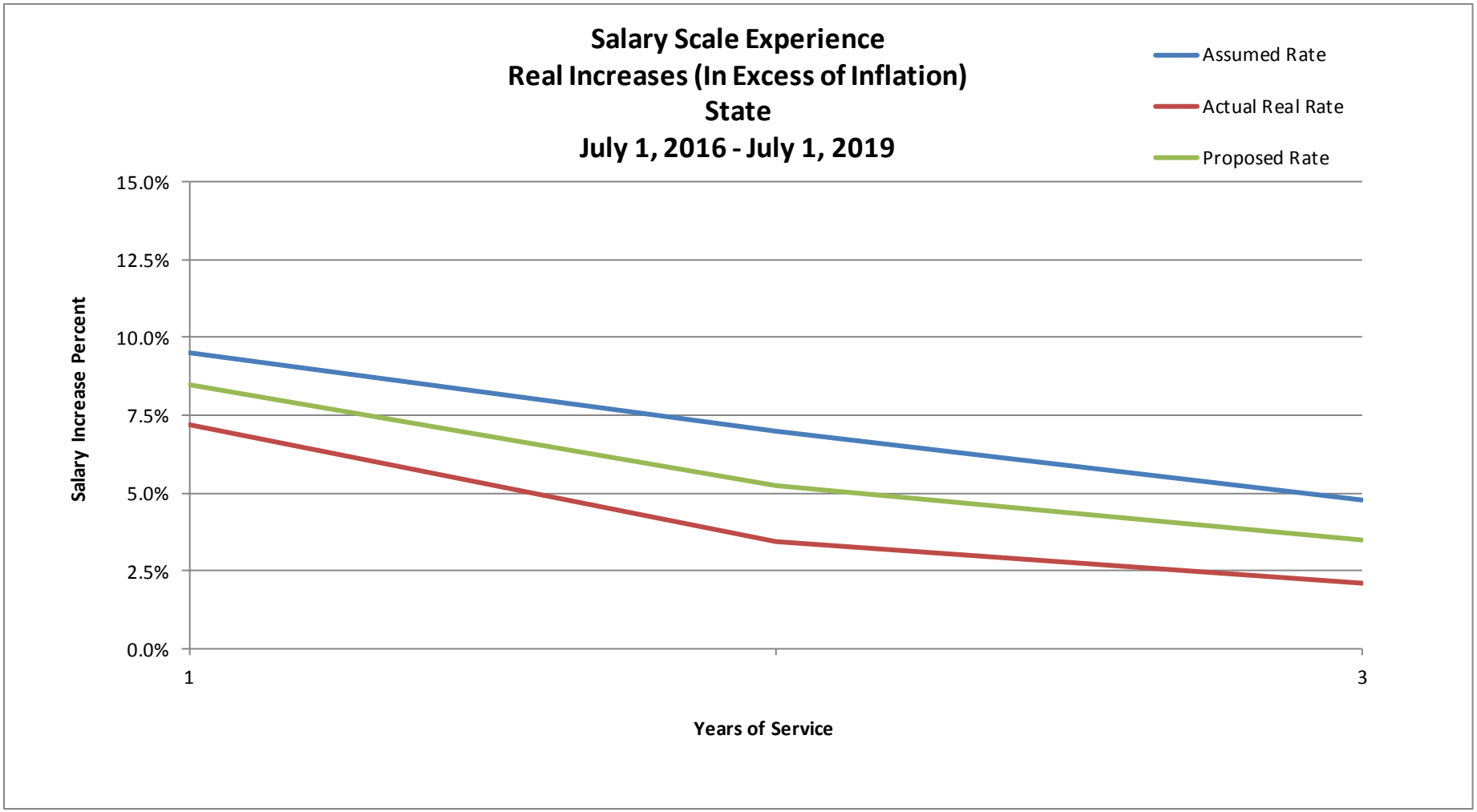
- We recommend a decrease from 4.75% to 4.25%
  - Average of median (50th percentile) returns is 4.33%
  - The probability of exceeding 4.75% over the next 20 years is approximately 39%
  - The probability of exceeding 4.25% over the next 20 years improves to approximately 54%

Economic Assumptions

- Payroll Growth Assumption
  - Recommend decreasing wage growth assumption from 3.75% to 3.50% (from 3.25% to 3.00% for Judges)
  - Used in amortizing the unfunded liability as a level percentage of pay for the actuarial contribution rate

Economic Assumptions – Salary Increases

- Total pay increases for an individual consist of a portion due to payroll growth (wage inflation) and a portion due to an individual's job performance (i.e., merit and seniority)
- Observed salary increases during past 5 years were lower than predicted by current assumptions
- Recommend decreasing salary increase assumptions for all plans


Salary Scale Experience
Real Increases (In Excess of Inflation)
State
July 1, 2016 - July 1, 2019
Assumed Rate
Actual Real Rate
Proposed Rate
15.0%
12.5%
10.0%
7.5%
5.0%
2.5%
0.0%
Salary Increase Percent
1
3
Years of Service

Demographic Assumptions – ASOP No. 35

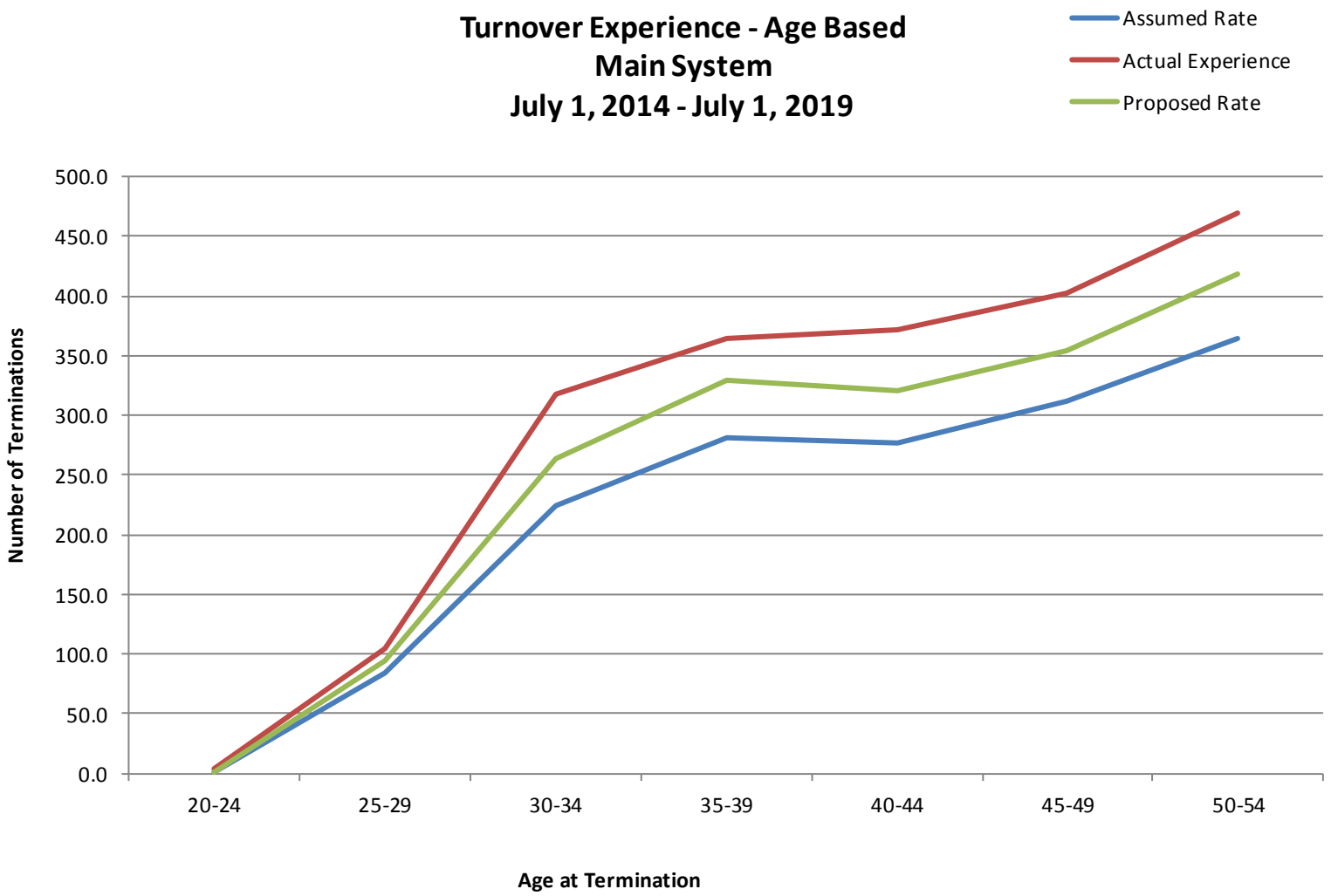
- Guidance regarding the selection of demographic and other noneconomic assumptions is governed by Actuarial Standard of Practice (ASOP) No. 35
- Reasonable assumptions
  - Reflect the actuary's professional judgment
  - Take into account historical and current demographic data
  - Reflect estimates of future experience
  - Have no significant bias

Retirement

- Retirement rates are age-based
- We recommend separate rates based on whether a member meets the Rule of 90/85/80
- For all plans except Highway Patrol, recommend an overall decrease in retirement rates to reflect observed experience
- For Highway Patrol, recommend an overall increase in retirement rates to reflect observed experience

Turnover

- Turnover rates are based on both age and service, with higher turnover rates during the first five years of service
- Recommend an overall increase in turnover rates to reflect observed experience


Turnover Experience - Age Based
Main System
July 1, 2014 - July 1, 2019
Assumed Rate
Actual Experience
Proposed Rate
Number of Terminations
500.0
450.0
400.0
350.0
300.0
250.0
200.0
150.0
100.0
50.0
0.0
20-24
25-29
30-34
35-39
40-44
45-49
50-54
Age at Termination

Disability

- Disability rates are age-based
- The actual number of disabilities during the past 5 years was lower than predicted by current assumptions
- Recommend decreasing the current rates to reflect observed experience

Mortality

- Recommend changing from the RP-2000 Mortality Tables to the newly issued Pub-2010 Public Retirement Plans Mortality Tables with rates projected from 2010 using projection scale MP-2019 (i.e., generational mortality)
- Post-retirement mortality rates
  - For males, proposed rates are higher for ages under 65, and lower for ages 65 and up
  - For females, proposed rates are higher for ages under 65 and over 80, and lower for ages 65 to 80

RHIC Participation Assumptions

- Recommend adopting the following methodology and assumptions:
  - Incorporate participation rates for current active members (current assumption is 100%)
  - Incorporate participation rates for retired members eligible but not currently receiving RHIC benefits (current assumption is 100%)
  - Include liabilities for current terminated vested members and use same participation assumptions as those used for active members

Other Assumptions and Methods

- We recommend continued use of:
  - Actuarial cost method
  - Amortization method
  - Asset smoothing method
  - Administrative expense assumption
  - Percent married assumption
  - Form of payment assumptions
  - Pay increase timing assumption
- We recommend changing the assumption that retirements occur at the beginning of the year to middle of the year (consistent with other decrements)

Cost Impact of Proposed Changes

	Main System	
	Current Assumptions	Proposed Assumptions
Actuarial Accrued Liability ($000's)	$4,136,253	$4,317,882
Actuarial Value of Assets ($000's)	2,949,967	2,949,967
Unfunded Actuarial Actuarial Liability ($000's)	1,186,286	1,367,915
Funded Ratio	71.3%	68.3%
Contributions (% of pay)		
Statutory Contribution Rate	14.12%	14.12%
Actuarial Contribution Rate	19.22%	20.03%
Statutory Rate Excess/(Deficiency)	-5.10%	-5.91%
Amortization Period from Statutory Rate (Years)	Infinite	Infinite

Cost Impact of Proposed Changes

	Judges	
	Current Assumptions	Proposed Assumptions
Actuarial Accrued Liability ($000's)	$44,559	$48,695
Actuarial Value of Assets ($000's)	55,189	55,189
Unfunded Actuarial Actuarial Liability ($000's)	-10,630	-6,494
Funded Ratio	123.9%	113.3%
Contributions (% of pay)		
Statutory Contribution Rate	25.52%	25.52%
Actuarial Contribution Rate	10.83%	17.15%
Statutory Rate Excess/(Deficiency)	14.69%	8.37%
Amortization Period from Statutory Rate (Years)	None	None

Cost Impact of Proposed Changes

	Public Safety with Prior Main System service	
	Current Assumptions	**Proposed Assumptions**
Actuarial Accrued Liability ($000's)	$79,501	$86,617
Actuarial Value of Assets ($000's)	66,813	66,813
Unfunded Actuarial Actuarial Liability ($000's)	12,688	19,804
Funded Ratio	84.0%	77.1%
Contributions (% of pay)		
Statutory Contribution Rate	15.35%	15.35%
Actuarial Contribution Rate	13.54%	15.21%
Statutory Rate Excess/(Deficiency)	1.81%	0.14%
Amortization Period from Statutory Rate (Years)	8.5	18.6

Cost Impact of Proposed Changes

	Public Safety without Prior Main System Service	
	Current Assumptions	**Proposed Assumptions**
Actuarial Accrued Liability ($000's)	$9,027	$9,776
Actuarial Value of Assets ($000's)	9,913	9,913
Unfunded Actuarial Actuarial Liability ($000's)	-886	-137
Funded Ratio	109.8%	101.4%
Contributions (% of pay)		
Statutory Contribution Rate	13.43%	13.43%
Actuarial Contribution Rate	11.87%	13.49%
Statutory Rate Excess/(Deficiency)	1.56%	-0.06%
Amortization Period from Statutory Rate (Years)	None	None

Cost Impact of Proposed Changes

	Highway Patrol	
	Current Assumptions	Proposed Assumptions
Actuarial Accrued Liability ($000's)	$106,315	$113,171
Actuarial Value of Assets ($000's)	80,902	80,902
Unfunded Actuarial Actuarial Liability ($000's)	25,413	32,269
Funded Ratio	76.1%	71.5%
Contributions (% of pay)		
Statutory Contribution Rate	33.00%	33.00%
Actuarial Contribution Rate	42.68%	47.72%
Statutory Rate Excess/(Deficiency)	-9.68%	-14.72%
Amortization Period from Statutory Rate (Years)	Infinite	Infinite

Cost Impact of Proposed Changes

	Job Service	
	Current Assumptions	**Proposed Assumptions**
Actuarial Accrued Liability ($000's)	$66,300	$67,104
Actuarial Value of Assets ($000's)	97,808	97,808
Unfunded Actuarial Actuarial Liability ($000's)	-31,509	-30,704
Funded Ratio	147.5%	145.8%
Contributions (% of pay)		
Statutory Contribution Rate	7.00%	7.00%
Actuarial Contribution Rate	NA	NA
Statutory Rate Excess/(Deficiency)	NA	NA
Amortization Period from Statutory Rate (Years)	None	None

Cost Impact of Proposed Changes

	RHIC	
	Current Assumptions	Proposed Assumptions
Actuarial Accrued Liability ($000's)	$217,831	$221,295
Actuarial Value of Assets ($000's)	$137,602	$137,602
Unfunded Actuarial Actuarial Liability ($000's)	80,229	83,693
Funded Ratio	63.2%	62.2%
Contributions (% of pay)		
Statutory Contribution Rate	1.14%	1.14%
Actuarial Contribution Rate	1.02%	1.14%
Statutory Rate Excess/(Deficiency)	0.12%	0.00%
Amortization Period from Statutory Rate (Years)	15.0	20.0

Disclosures

- This presentation shall not be construed to provide tax advice, legal advice or investment advice.
- The actuaries submitting this presentation are members of the American Academy of Actuaries and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinions contained herein.
- The purpose of the presentation is to review the assumptions recommended in the experience study for the period July 1, 2014 to July 1, 2019 for the North Dakota Public Employees Retirement System.

Disclosures

- Future actuarial measurements may differ significantly from the current and projected measurements presented in this presentation due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period or additional cost or contribution requirements based on the plan's funded status); and changes in plan provisions or applicable law.
- This is one of multiple documents comprising the experience review for the NDPERS. Additional information regarding actuarial assumptions and methods, and important additional disclosures are provided in the full actuarial valuation reports as of July 1, 2019 and the experience study report for experience from July 1, 2014 to July 1, 2019.
- If you need additional information to make an informed decision about the contents of this presentation, or if anything appears to be missing or incomplete, please contact us before relying on this presentation.

Experience Study Report

North Dakota Public Employees Retirement System

2019 Experience Review
for the Five-Year Period July 1, 2014 to July 1, 2019

P: 312.456.9800 | www.grsconsulting.com

April 13, 2020

Board Members
North Dakota Public Employees Retirement System
Bismarck, North Dakota

Subject: Experience Review for the Five-Year Period July 1, 2014 to July 1, 2019

Members of the Board:

At your request, we have performed a review of the actuarial assumptions used in the annual actuarial valuation of the North Dakota Public Employees Retirement System ("NDPERS"). The primary purpose of the study is to determine the continued appropriateness of the current actuarial assumptions by comparing actual experience to expected experience. Our study was based on census information for the five-year period from July 1, 2014 to July 1, 2019.

Our study includes a review of the experience associated with the following actuarial assumptions:

- Investment Return;
- Retiree Cost of Living Increases;
- Salary Increases;
- Mortality;
- Disability;
- Withdrawal;
- Retirement; and
- Retiree Health Insurance Credit Fund participation experience.

We have reviewed experience for the following systems and groups:

- North Dakota Public Employees Retirement System ("PERS")
  - Main (State and Non-State)
  - Judges
  - Public Safety
- North Dakota Highway Patrolmen's Retirement System ("HPRS" or "Highway Patrol")
- North Dakota Retiree Health Insurance Credit Fund ("RHIC")
- Retirement Plan for Employees of Job Service North Dakota ("Job Service")
  - Investment return and COLA assumptions only

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The results of this analysis are set forth in Section II of this report. Section III contains the cost impact on the actuarial contribution rate and funded status of the Systems as a result of the proposed assumption modifications.

This report does not reflect the recent and still developing impact of COVID-19, which is likely to influence demographic experience and economic expectations, at least in the short-term. We will continue to monitor these developments and their impact on retirement plans.

Bonita J. Wurst and Amy Williams are Members of the American Academy of Actuaries and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinions herein.

The signing actuaries are independent of the plan sponsor.

This report should not be relied on for any purpose other than the purpose stated. This report may be provided to parties other than the NDPERS staff and Board only in its entirety and only with the permission of the NDPERS staff and Board. GRS is not responsible for unauthorized use of this report.

This report is based upon information, furnished to us by the NDPERS staff, concerning retirement and ancillary benefits, active members, deferred vested members, retirees and beneficiaries, and financial data. If your understanding of this information is different, please let us know. This information was checked for internal consistency, but it was not audited.

The results of the experience study and recommended assumptions set forth in this report are based on the data and actuarial techniques and methods described above, and upon the provisions of the Systems as of the most recent actuarial valuation date, July 1, 2019. To the best of our knowledge the information contained in this report is accurate and fairly presents the experience of members participating in the Systems for the period July 1, 2014, to July 1, 2019. All calculations have been made in conformity with generally accepted actuarial principles and practices, and with the Actuarial Standards of Practice issued by the Actuarial Standards Board.

Respectfully submitted,

Gabriel, Roeder, Smith & Company

Bonita J. Wurst

Bonita J. Wurst, ASA, EA, MAAA, FCA
Senior Consultant

Amy Williams

Amy Williams, ASA, MAAA, FCA
Senior Consultant

Table of Contents

SECTION I

EXPERIENCE REVIEW SUMMARY

Experience Review Summary

Background

For any pension plan, actuarial assumptions are selected that are intended to provide reasonable estimates of future expected events, such as plan investment returns, and patterns of retirement, turnover and mortality. These assumptions, along with an actuarial cost method, the employee census data and the plan's provisions are used to determine the actuarial liabilities and overall actuarially determined funding requirements for the plan. The true cost to the plan over time will be the actual benefit payments and expenses required by the plan's provisions for the participant group under the plan. To the extent the actual experience deviates from the actuarial assumptions, experience gains and losses will occur. These gains (losses) then serve to reduce (increase) future actuarially determined contributions and increase (reduce) the funded ratio. The actuarial assumptions should be individually reasonable and consistent in the aggregate. They should also be reviewed periodically to ensure that they remain appropriate. The actuarial cost method, for plan sponsors that use actuarially based funding policies, automatically adjusts contributions over time for differences between what is assumed and the actual experience under the plan.

Actuarial Standards of Practice ("ASOPs")

The Actuarial Standards Board ("ASB") provides guidance on measuring the costs of financing a retirement program through the following Actuarial Standards of Practices ("ASOPs"):

(1) ASOP No. 4, *Measuring Pension Obligations and Determining Pension Plan Costs or Contributions*;
(2) ASOP No. 27, *Selection of Economic Assumptions for Measuring Pension Obligations*;
(3) ASOP No. 35, *Selection of Demographic and Other Noneconomic Assumptions for Measuring Pension Obligations*;
(4) ASOP No. 44, *Selection and Use of Asset Valuation Methods for Pension Valuations*; and
(5) ASOP No. 51, *Assessment and Disclosure of Risk Associated with Measuring Pension Obligations and Determining Pension Plan Contributions.*

The recommendations provided in this report are consistent with the preceding actuarial standards of practice.

Assumptions Reviewed

The actuarial assumptions are usually divided into two categories:

- Economic assumptions (i.e., the "money" assumptions), which include the following:
  - Assumed rate of price inflation (as measured by the change in the Consumer Price Index for all urban consumers)
    - Underlies all other economic assumptions
  - Assumed long-term rate of return on investments
    - Rate at which projected benefits are reduced to present value
  - General wage growth
    - Reflects inflationary forces on increases in pay for all members
  - Merit/Seniority/Promotion pay increases
    - Increases in pay for plan members in addition to those due to inflationary forces
  - Rate of retiree cost of living increases

Experience Review Summary

The economic assumptions are generally chosen on the basis of the actuary's expectations as to the effect of future economic conditions on the operation of the plan, with input from the NDPERS Staff, the plan's investment consultant, the Board, and other legal, accounting and investment advisors.

- Demographic assumptions (i.e., the "people" assumptions), which include the following:
  - Mortality;
  - Retirement;
  - Withdrawal (other termination of employment); and
  - Disablement.

Demographic assumptions are generally based on the plan's own experience, taking into account emerging trends. Rates of salary increase due to merit, promotion and longevity are also related to the plan's experience.

The accuracy and extent of the data is an important consideration in assessing demographic experience. We have no reason to doubt the accuracy of the data provided to us by NDPERS Staff and the prior actuary that was used in previous actuarial valuations. With regard specifically to the mortality assumption, a very large amount of data is required to develop a credible assumption. For this reason, we do not give full credibility to the mortality experience of the System participants, but instead factor in general experience from a wider universe of pension plans and retirement systems.

Key Findings and Recommendations

Gabriel, Roeder, Smith & Company ("GRS") has performed an experience study for the North Dakota Public Employees Retirement System ("NDPERS") for the five-year period from July 1, 2014 to July 1, 2019. The primary purpose of the study was to compare the actual demographic and economic experience of PERS with the actuarial assumptions used in the actuarial valuations. Our study was based on the information used to perform the annual actuarial valuations for the five-year period from July 1, 2014 to July 1, 2019.

Following is a summary of our key findings and recommendations:

- **Price inflation**: We recommend decreasing the current rate of assumed price inflation of 2.50 percent to 2.25 percent.
- **Investment return**: We recommend decreasing the current investment return assumption to 7.00 percent for PERS and Highway Patrol, 6.50 percent for RHIC and 4.25 percent for Job Service.
- **Payroll growth**: We recommend decreasing the payroll growth assumptions used to calculate the actuarial contribution rates.
- **Salary increase**: We recommend decreasing the current salary increase assumptions to reflect that actual increases were lower than the current assumptions.
- **Retirement rates**: We recommend an overall decrease in retirement rates to reflect observed experience, changing the age-based rates to age-based rates that differ based on whether the member meets the Rule of 85 (Rule of 80) retirement eligibility condition, and extending the age of 100% assumed retirement.
- **Turnover rates**: We recommend an overall increase to the current rates based on observed experience.

Experience Review Summary

- **Mortality rates**: We recommend changing to the Pub-2010 Public Retirement Plans Mortality Tables with rates projected from 2010 using projection scale MP-2019 (generational mortality) and scaling factors based on experience and credibility.
- **Disability rates**: We recommend decreasing the current rates based on observed experience.
- **RHIC Participation rates**: We recommend changing RHIC participation rates based on observed experience.
- **Other Assumptions**: We recommend maintaining the current actuarial cost method, amortization method, asset smoothing method, administrative expense assumption, percent married, form of payment election, and pay increase timing assumptions. A decrement timing change is recommended for the retirement decrement.

The impact of adopting the recommended assumptions is summarized in Section III of this report. The change in assumptions increases the actuarial liability, decreases the funded ratio and increases the actuarial contribution rate.

In our professional judgment, these assumptions are a better estimate of expected System activities going forward.

SECTION II

EXPERIENCE ANALYSIS

Economic Actuarial Assumptions

Background

Economic actuarial assumptions reflect the effects of economic forces on the projections of retirement benefits payable from the plan and in the discounting of those benefits to present value.

These assumptions are based, at their core, on the assumed level of price inflation. Each economic assumption is then developed from expected spreads over price inflation. Since price inflation is relatively volatile and is subject to a number of influences not based on recent history, economic assumptions are less reliably based on recent past experience than are the demographic assumptions.

The key economic assumptions are:

1. Assumed Rate of Inflation – The rate of price inflation (as measured by the Consumer Price Index for all Urban consumers) which underlies the remainder of the economic assumptions.
2. Assumed Rate of Investment Return – The rate at which projected future benefits under the system are reduced to present value.
3. Assumed Rate of Total Payroll Growth – This reflects inflationary forces on total payroll for the total System.
4. Assumed Rate of General Wage Growth – This reflects inflationary forces on increases in pay for individual members.

Actuarial Standard of Practice No. 27

ASOP No. 27 provides guidance related to selecting and recommending economic assumptions, including the investment return, discount rate, inflation, postemployment benefit increases, compensation increases and any other related economic assumptions.

In developing specific actuarial assumptions, ASOP No. 27 requires the actuary to follow a general process of:

(1) Identifying the components of the assumption;
(2) Evaluating relevant data;
(3) Considering specific and general factors related to the measurement; and
(4) Selecting a reasonable assumption.

In evaluating relevant data, the actuary should include appropriate recent and long-term historic data, but not give undue weight to recent experience.

Further, under ASOP No. 27, an assumption is considered reasonable if:

- It is appropriate for the purpose of the measurement;
- It reflects the actuary's professional judgment;
- It takes into account historical and current economic data that is relevant as of the measurement date;
- It reflects the actuary's estimate of future experience, the actuary's observation of the estimates inherent in market data, or a combination thereof; and
- It has no significant bias (i.e., it is not significantly optimistic or pessimistic).

Also according to the ASOP No. 27, the actuary should recognize the uncertain nature of the items for which assumptions are selected and, as a result, may consider several different assumptions reasonable for a given measurement. The actuary should also recognize that different actuaries will apply different professional judgment and may choose different reasonable assumptions. As a result, a narrow range of reasonable assumptions may develop both for an individual actuary and across actuarial practice.

Inflation

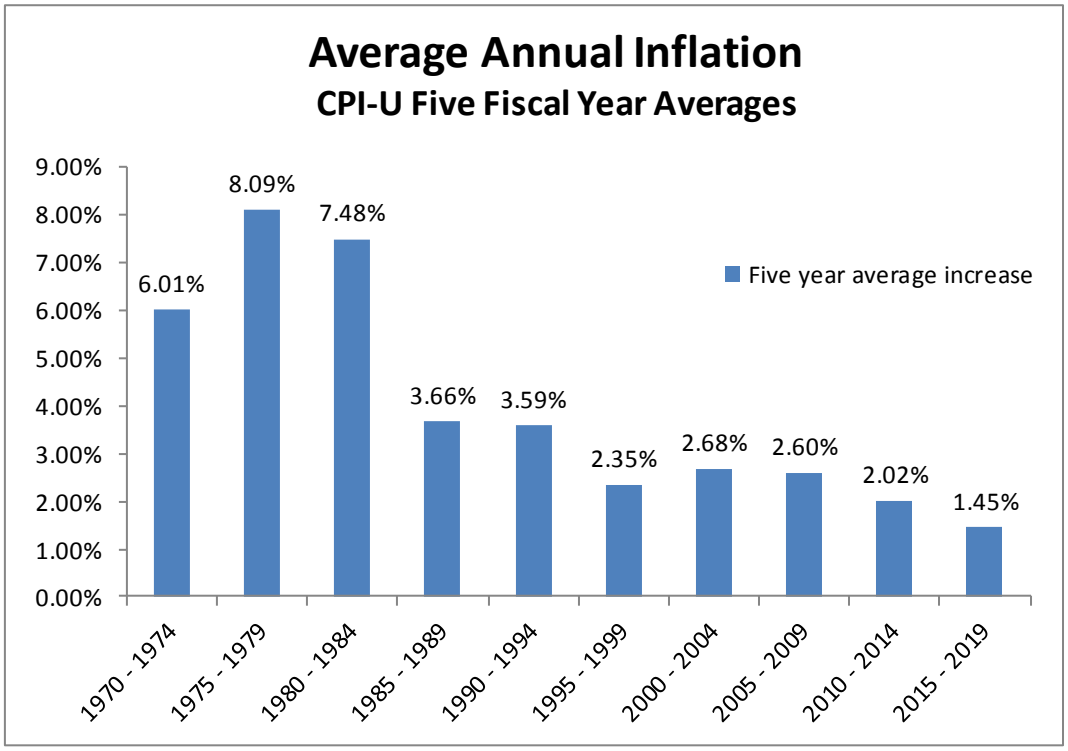
By "inflation," we mean price inflation, as measured by annual increases in the Consumer Price Index (CPI). This inflation assumption underlies all of the other economic assumptions we employ. It not only impacts investment return, but also salary increase rates and the payroll growth assumption. The current annual inflation assumption is 2.50 percent.

Over the five-year period from June 2014 through June 2019, the CPI-U has increased at an average rate of 1.45 percent. However, please remember that the assumed inflation rate is only weakly tied to past results.

The following table shows the average inflation over various periods, ending June 2019.

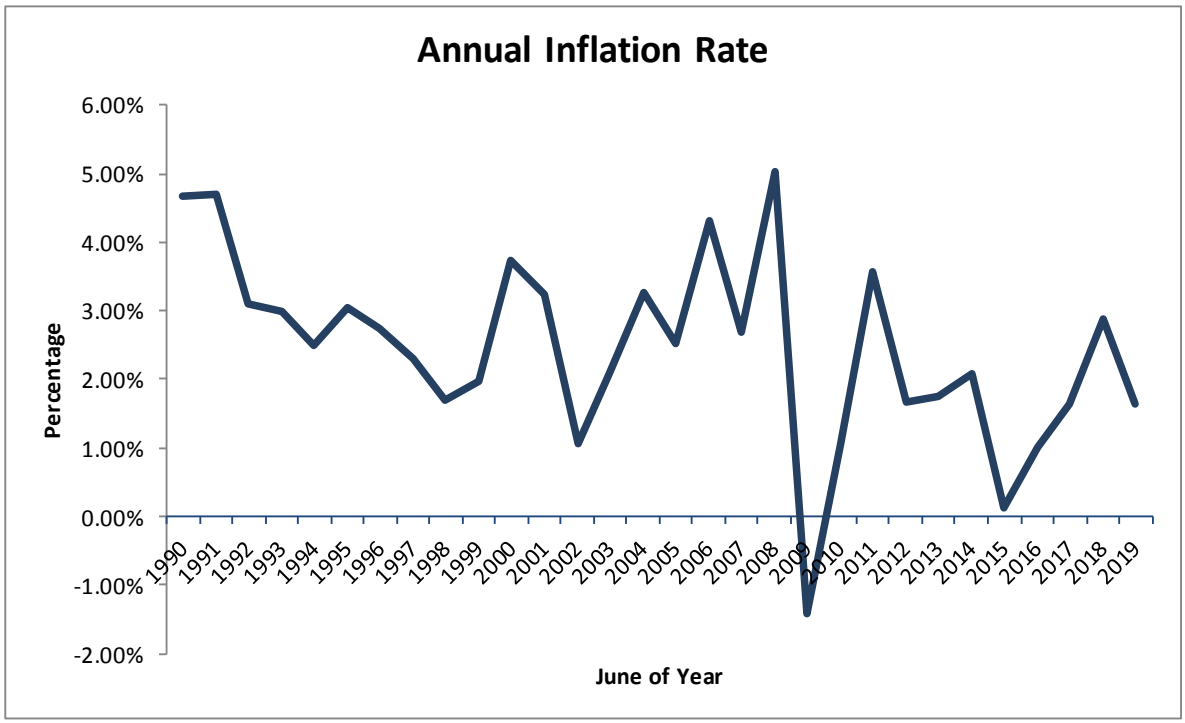
Fiscal Year	Annual Increase in CPI-U
2014-15	0.12%
2015-16	1.00%
2016-17	1.63%
2017-18	2.87%
2018-19	1.65%
3-Year Average	2.05%
5-Year Average	1.45%
10-Year Average	1.73%
20-Year Average	2.19%
25-Year Average	2.22%
30-Year Average	2.44%
40-Year Average	3.21%
50-Year Average	3.97%

The graph on the next page shows the average annual inflation, as measured by the increase in CPI-U, in each of the 10 consecutive five-year periods over the last 50 years.



As the above chart illustrates, the high inflation of the 1970s and early 1980s is well in the past. The geometric average annual increase in price inflation was 2.44 percent per year over the last 30 years from June 1989 to June 2019, 2.19 percent over the last 20 years and 1.73 percent over the last 10 years.

The following graph illustrates the rate of inflation on a year by year basis over the last 30 years.



Economic Actuarial Assumptions

Since price inflation is relatively volatile and is subject to a number of influences not based on recent history, economic assumptions are less reliably based on recent past experience than are the demographic assumptions. Therefore, it is important not to give undue weight to recent experience. We must also consider future expectations as well.

We surveyed the inflation assumption used by nationally recognized firms (investment consultants, asset managers and insurance companies) across the country. In our sample of these firms, the inflation assumption ranged from 1.70 percent to 2.50 percent, with an average of 2.18 percent.

Another point of reference is the Social Security Administration's (SSA) 2019 Trustees Report, in which the Office of the Chief Actuary is projecting a long-term average ultimate annual inflation rate of 2.00 percent in the high cost projection scenario, 2.60 percent under the intermediate cost projection scenario and 3.20 percent in the low-cost projection scenario. The Social Security Trustees report uses the ultimate rates for their 75-year projections, much longer than the longest horizon we can discern from Treasuries and TIPS.

The table on the following page presents a summary of inflation rate forecasts from various professional organizations.

Economic Actuarial Assumptions

Forward-Looking Price Inflation Forecasts[a]	
Congressional Budget Office[b]	
5-Year Annual Average	2.46%
10-Year Annual Average	2.38%
Federal Reserve Bank of Philadelphia[c]	
5-Year Annual Average	2.20%
10-Year Annual Average	2.20%
Federal Reserve Bank of Cleveland[d]	
10-Year Expectation	1.71%
20-Year Expectation	1.93%
30-Year Expectation	2.09%
Federal Reserve Bank of St. Louis[e]	
10-Year Breakeven Inflation	1.61%
20-Year Breakeven Inflation	1.81%
30-Year Breakeven Inflation	1.78%
U.S. Department of the Treasury[f]	
10-Year Breakeven Inflation	1.65%
20-Year Breakeven Inflation	1.78%
30-Year Breakeven Inflation	1.87%
50-Year Breakeven Inflation	1.95%
100-Year Breakeven Inflation	2.00%
Social Security Trustees[g]	
Ultimate Intermediate Assumption	2.60%

[a]Version 2019-12-31 by Gabriel, Roeder, Smith & Company. Revised 2020-02-26.

[b]*The Budget and Economic Outlook: 2020 to 2030* , Release Date: January 2020, Consumer Price Index (CPI-U), Percentage Change from Fourth Quarter to Fourth Quarter, 5-Year Annual Average (2020 - 2024), 10-Year Annual Average (2020 - 2029).

[c]*Survey of Professional Forecasters, Fourth Quarter 2019,* Release Date: November 15, 2019, Headline CPI, Annualized Percentage Points, 5-Year Annual Average (2019 - 2023), 10-Year Annual Average (2019 - 2028).

[d]Inflation Expectations, Model output date: December 1, 2019.

[e]The breakeven inflation rate represents a measure of expected inflation derived from X-Year Treasury Constant Maturity Securities and X-Year Treasury Inflation-Indexed Constant Maturity Securities. Observation date: December 1, 2020.

[f]*The Treasury Breakeven Inflation (TBI) Curve* , Monthly Average Rates, December 2019.

[g]*The 2019 Annual Report of The Board of Trustees of The Federal Old-Age And Survivors Insurance and Federal Disability Insurance Trust Funds* , April 25, 2019, Long-range (75-year) assumptions, Intermediate, Consumer Price Index (CPI-W), for 2021 and later.

Based on this information, it would be reasonable to lower the current inflation assumption of 2.50 percent to 2.25 percent. A reasonable range falls between 2.10 percent and 2.60 percent (with only the Social Security Trustees Intermediate assumption providing support for 2.60 percent). This reduction recognizes lower inflation expectations in the near term (closer to recent inflation levels) and longer term (closer to levels expected in the financial markets). As you will see, this change also affects all of the other economic assumptions.

Post-Retirement Cost of Living Increases (COLA)

The Job Service Plan grants a CPI-based COLA. Therefore, we recommend that the COLA assumption be set equal to the inflation assumption.

Interest Crediting Rate for Member Contributions

Member contributions are credited with interest at a rate equal to 0.5% less than the assumed rate of investment return.

Projected Increase in IRC Section 415 Limits

Benefits payable from the Systems are limited by the Internal Revenue Code Section 415 limits. Due to the retirement ages of the members and the benefit accrual rates, the projected 415 limits mainly affect projected benefits and liabilities for the Highway Patrol System. The current assumption is 2.50 percent (equal to the inflation assumption). We recommend keeping the rate for projected increases in the 415 limits equal to the inflation assumption.

Final Average Salary Indexing for Highway Patrol

North Dakota Century Code § 39-03.1-11(5) provides:

> *The final average salary used for calculating deferred vested retirement benefits must be increased annually, from the later of the date of termination of employment or July 1, 1991, until the date the contributor begins to receive retirement benefits from the fund, at a rate as determined by the board not to exceed a rate that would be approximately equal to annual salary increases provided state employees pursuant to action by the legislative assembly.*

The current assumption is 3.00 percent. Following is a history of the indexing rates over the past five years. The indexing rate last exceeded 3.00 percent in 2010.

7/1/2015	3.00%
7/1/2016	2.00%
7/1/2017	0.00%
7/1/2018	0.00%
7/1/2019	2.00%

Based on expected salary increases, we recommend maintaining the indexing rate of 3.00 percent.

Investment Return Assumption

Investment Return

As previously stated, actuaries are required to comply with Actuarial Standard of Practice No. 27 (ASOP No. 27) in setting economic assumptions for retirement plans, including the assumed investment return rate.

In a public retirement system like the North Dakota Public Employees Retirement System, it is ultimately the Board's responsibility to approve the actuarial assumptions used in the actuarial valuations. It is the actuary's duty to provide the Board with information needed to make those decisions and to make recommendations to the Board. Although the Board is the ultimate decision-making body, we are still bound by ASOP No. 27 in providing advice or recommendations to the Board.

For purposes of calculating contributions using the actuarial rate, the assumed rate of investment return is used as the discount rate to determine the present value of the System's pension obligations. It is important to note that an actuarial investment return assumption based on expected future experience is a single estimate for all years and therefore implicitly assumes that returns above and below expectations will "average out" over time. In other words, the expected risk premium is reflected in the assumed rate of investment return in advance of being earned, while the investment risk is not reflected until actual experience emerges with each actuarial valuation.

The review of the investment return assumption in this report considers forward-looking measures of likely investment return outcomes for the asset classes in the current System's investment policy. For purposes of this analysis, we have used the capital market assumptions from 14 nationally recognized firms (investment consultants, asset managers and insurance companies) in our analysis of the System's investment return assumption.

Our analysis is performed using the GRS Capital Market Assumption Modeler (CMAM) tool. Because GRS is an actuarial and benefits consulting firm, we do not develop or maintain our own capital market expectations. Instead, we annually request forward-looking expectations developed by nationally recognized firms who develop capital market assumptions (investment consultants, asset managers and insurance companies) and update our CMAM tool each year. The capital market assumptions in the 2019 CMAM are from the following firms (in alphabetical order): Aon Hewitt, BlackRock, BNY Mellon, Callan, Cambridge, JPMorgan, Marquette Associates, Meketa, Mercer, NEPC, RVK, Verus, Voya and Wilshire. The benefit of using capital market expectations from multiple firms is that we can identify the uncertain nature of the items affecting the selection of the investment return assumption. While there may be differences in asset classes, investment horizons, inflation assumptions, treatment of investment expenses, excess manager performance (i.e., alpha), etc., we align the various capital market assumption sets from the 14 different firms to best fit the System's investment policy (i.e., target asset allocation) as consistently as possible.

To the best of our ability, we have adapted the System's investment policy to fit with the various investment firms' assumptions adjusting for these known differences in asset classes and methodology. In the following charts, to the extent possible all returns are net of passive investment expenses and have no assumption for excess manager performance (alpha) in excess of active management fees.

Investment Return Assumption

It is important to note that certain alternative asset classes such as hedge funds and private equity may have implicit or explicit expectations of higher returns. In February 2019, the American Academy of Actuaries issued a public policy practice note: Forecasting Investment Returns and Expected Return Assumptions for Pension Actuaries. This Practice Note suggests that for alternative asset classes such as private equity, forecasting returns is challenging due to lack of data. In particular,

> Private equity return expectations may be estimated by adding an illiquidity premium to the expected return for public equities. Some research papers identify this illiquidity premium at 2.5% to 3.0% based on historical analysis of available data. However, many practitioners opt for a more modest 1.0% to 2.5% illiquidity premium, as can be seen in their published capital market assumptions reports.

One approach is to analyze the implied capital market line of the average expectations of the various asset classes of all the investment consultants. A regression analysis of these average expectations suggests that the return expectations for private equity in the CMAM may be 1.0% to 1.5% higher than implied by the level of risk. A similar analysis for hedge funds in the CMAM may be 0.5% to 1.0% higher than implied by the level of risk. For purposes of this analysis, no adjustment has been made.

Importantly, the information in this report is not intended to be construed as investment advice.

Real Return

The allocation of assets within the universe of investment options will significantly impact the overall performance. Therefore, it is meaningful to identify the range of expected returns based on each System's targeted allocation of investments and an overall set of capital market assumptions.

Based on information provided by Staff, following is a table with the Systems' current target asset allocations:

	Current Target Asset Allocation			
Asset Category	**PERS/Highway**	**RHIC**	**Asset Category**	**Job Service**
Domestic Equities				
Lg Cap Domestic Equities	23.0%	33.0%	US Low Beta Equities	6.0%
Sm Cap Domestic Equities	7.0%	6.0%	Global Low Beta Equities	14.0%
International Equities		21.0%		
Developed International Equities	16.0%			
Emerging Market Equities	5.0%			
Private Equity	7.0%			
Total Equities	**58.0%**	**60.0%**		**20.0%**
US High Yield		4.0%	US High Yield	3.0%
Emerging Markets Debt		4.0%	Emerging Markets Debt	3.0%
Core Fixed Income		32.0%	Core Fixed Income	26.0%
Investment Grade Fixed Income	16.0%		Limited Duration Fixed Income	26.0%
Below Investment Grade Fixed Income	7.0%		Diversified Short Term Fixed Income	5.0%
			Short Term Corporate Fixed Income	17.0%
Total Fixed Income	**23.0%**	**40.0%**		**80.0%**
Global Real Estate	11.0%			
Infrastructure	8.0%			
Total Real Assets	**19.0%**	**0.0%**		**0.0%**
Total	**100.0%**	**100.0%**		**100.0%**

Investment Return Assumption

The arithmetic expected return developed from this asset allocation is shown in the following tables. The CMAM begins with the nominal expected return from each consultant (column 2), takes out each consultant's price inflation assumption (column 3) to arrive at the real return (column 4). We then incorporate the recommended price inflation assumption of 2.25 percent (column 5) to get the adjusted nominal return (column 6). Additional investment expenses paid out of trust assets which are not already reflected in the expected returns (column 7) are netted out of the return. The final arithmetic expected return is shown in column 8. Note that the arithmetic return is in general higher than the median return due to compounding effect of random returns. In general, the difference between the arithmetic and median return will be larger for larger standard deviation of returns. We have shown the standard deviation of returns as the investment risk in column 9.

ASOP No. 27 acknowledges that for any given economic assumption, there is a reasonable range of opinions on that assumption. This is evident from the summaries we show from our CMAM.

PERS/Highway Patrol

Firm	Firm Expected Nominal Return	Firm Inflation Assumption	Expected Real Return (2)–(3)	Actuary Inflation Assumption	Expected Nominal Return (4)+(5)	Investment Expenses	Expected Nominal Return Net of Expenses (6)-(7)	Standard Deviation of Expected Return (1-Year)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1	5.35%	2.20%	3.15%	2.25%	5.40%	0.00%	5.40%	12.20%
2	6.82%	2.50%	4.32%	2.25%	6.57%	0.00%	6.57%	13.00%
3	6.90%	2.50%	4.40%	2.25%	6.65%	0.00%	6.65%	12.45%
4	6.48%	2.20%	4.28%	2.25%	6.53%	0.00%	6.53%	10.29%
5	6.57%	2.00%	4.57%	2.25%	6.82%	0.00%	6.82%	10.85%
6	7.16%	2.25%	4.91%	2.25%	7.16%	0.00%	7.16%	12.61%
7	7.32%	2.21%	5.11%	2.25%	7.36%	0.00%	7.36%	13.16%
8	7.46%	2.26%	5.20%	2.25%	7.45%	0.00%	7.45%	13.66%
9	7.26%	2.00%	5.26%	2.25%	7.51%	0.00%	7.51%	12.43%
10	7.56%	2.31%	5.26%	2.25%	7.51%	0.00%	7.51%	12.14%
11	7.74%	2.30%	5.44%	2.25%	7.69%	0.00%	7.69%	11.42%
12	8.13%	2.15%	5.98%	2.25%	8.23%	0.00%	8.23%	12.98%
13	7.73%	1.70%	6.03%	2.25%	8.28%	0.00%	8.28%	12.67%
14	8.03%	2.00%	6.03%	2.25%	8.28%	0.00%	8.28%	10.86%
Average	**7.18%**	**2.18%**	**5.00%**	**2.25%**	**7.25%**	**0.00%**	**7.25%**	**12.19%**

Investment Return Assumption

RHIC

Firm	Firm Expected Nominal Return	Firm Inflation Assumption	Expected Real Return (2)–(3)	Actuary Inflation Assumption	Expected Nominal Return (4)+(5)	Investment Expenses	Expected Nominal Return Net of Expenses (6)-(7)	Standard Deviation of Expected Return (1-Year)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1	4.95%	2.20%	2.75%	2.25%	5.00%	0.00%	5.00%	11.69%
2	6.03%	2.50%	3.53%	2.25%	5.78%	0.00%	5.78%	11.78%
3	6.33%	2.50%	3.83%	2.25%	6.08%	0.00%	6.08%	12.36%
4	6.12%	2.20%	3.92%	2.25%	6.17%	0.00%	6.17%	9.51%
5	6.46%	2.21%	4.25%	2.25%	6.50%	0.00%	6.50%	11.82%
6	6.19%	2.00%	4.19%	2.25%	6.44%	0.00%	6.44%	10.05%
7	6.65%	2.25%	4.40%	2.25%	6.65%	0.00%	6.65%	11.96%
8	6.37%	2.00%	4.37%	2.25%	6.62%	0.00%	6.62%	11.15%
9	6.87%	2.31%	4.56%	2.25%	6.81%	0.00%	6.81%	11.58%
10	6.85%	2.26%	4.59%	2.25%	6.84%	0.00%	6.84%	11.78%
11	6.82%	2.30%	4.52%	2.25%	6.77%	0.00%	6.77%	9.86%
12	7.26%	2.15%	5.11%	2.25%	7.36%	0.00%	7.36%	11.62%
13	6.90%	1.70%	5.20%	2.25%	7.45%	0.00%	7.45%	11.33%
14	7.30%	2.00%	5.30%	2.25%	7.55%	0.00%	7.55%	11.81%
Average	**6.51%**	**2.18%**	**4.32%**	**2.25%**	**6.57%**	**0.00%**	**6.57%**	**11.31%**

Job Service

Firm	Firm Expected Nominal Return	Firm Inflation Assumption	Expected Real Return (2)–(3)	Actuary Inflation Assumption	Expected Nominal Return (4)+(5)	Investment Expenses	Expected Nominal Return Net of Expenses (6)-(7)	Standard Deviation of Expected Return (1-Year)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1	3.33%	2.20%	1.13%	2.25%	3.38%	0.00%	3.38%	8.27%
2	4.27%	2.50%	1.77%	2.25%	4.02%	0.00%	4.02%	6.77%
3	4.11%	2.21%	1.90%	2.25%	4.15%	0.00%	4.15%	5.54%
4	4.20%	2.20%	2.00%	2.25%	4.25%	0.00%	4.25%	4.22%
5	4.60%	2.50%	2.10%	2.25%	4.35%	0.00%	4.35%	6.35%
6	4.47%	2.25%	2.22%	2.25%	4.47%	0.00%	4.47%	6.53%
7	4.16%	2.00%	2.16%	2.25%	4.41%	0.00%	4.41%	5.29%
8	4.50%	2.30%	2.20%	2.25%	4.45%	0.00%	4.45%	5.25%
9	4.57%	2.31%	2.26%	2.25%	4.51%	0.00%	4.51%	4.80%
10	4.79%	2.26%	2.53%	2.25%	4.78%	0.00%	4.78%	4.54%
11	4.60%	2.00%	2.60%	2.25%	4.85%	0.00%	4.85%	5.37%
12	4.87%	2.15%	2.72%	2.25%	4.97%	0.00%	4.97%	6.82%
13	4.79%	2.00%	2.79%	2.25%	5.04%	0.00%	5.04%	4.79%
14	4.74%	1.70%	3.04%	2.25%	5.29%	0.00%	5.29%	5.56%
Average	**4.43%**	**2.18%**	**2.24%**	**2.25%**	**4.49%**	**0.00%**	**4.49%**	**5.72%**

Investment Return Assumption

The average expected nominal return from column 8 is 7.25 percent for PERS/Highway Patrol, 6.57 percent for RHIC and 4.49 percent for Job Service. These are the average arithmetic rates of return.

Note that the arithmetic rates of return represent the average future expected return which is higher than the median future expected return. Setting the actuarial valuation assumption at the arithmetic expected return ignores the downward effect of volatility on the accumulation of assets. Consequently, the probability of actually achieving the actuarial assumption compounded over time is less than 50 percent if it is set at the arithmetic expectation.

The next step in our analysis is to compare the probabilities of achieving returns over a 20-year horizon. We compute the 40th, 50th, and 60th percentiles of returns as well as the probability of achieving the current assumption (7.50 percent for PERS/Highway Patrol, 7.25 percent for RHIC and 4.75 percent for Job Service) and alternate assumptions based on a price inflation assumption of 2.25 percent over a 20-year horizon. Note that the investment horizon for the capital market assumption sets used in this analysis is between 5 and 10 years. For purposes of this analysis, no adjustment has been made to return expectations for 20 years. This implies that the second 10 years are expected to have the same distribution of returns as the first 10 years. A different assumption would result in a different distribution of returns[1].

PERS/Highway Patrol

Firm	Distribution of 20-Year Average Geometric Net Nominal Return			Probability of exceeding	Probability of exceeding	Probability of exceeding	Probability of exceeding
	40th	50th	60th	7.50%	7.25%	7.00%	6.75%
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1	4.02%	4.70%	5.39%	15.34%	17.58%	20.01%	22.65%
2	5.06%	5.79%	6.52%	27.74%	30.68%	33.76%	36.96%
3	5.23%	5.93%	6.63%	28.54%	31.66%	34.92%	38.30%
4	5.46%	6.04%	6.62%	26.22%	29.86%	33.72%	37.76%
5	5.67%	6.28%	6.89%	30.67%	34.37%	38.23%	42.22%
6	5.72%	6.42%	7.13%	35.06%	38.40%	41.84%	45.35%
7	5.83%	6.56%	7.30%	37.40%	40.67%	44.02%	47.41%
8	5.83%	6.59%	7.36%	38.24%	41.42%	44.65%	47.94%
9	6.10%	6.79%	7.49%	39.91%	43.43%	47.02%	50.64%
10	6.15%	6.83%	7.51%	40.18%	43.79%	47.47%	51.17%
11	6.45%	7.09%	7.74%	43.62%	47.52%	51.46%	55.39%
12	6.74%	7.46%	8.19%	49.48%	52.96%	56.42%	59.84%
13	6.84%	7.55%	8.26%	50.64%	54.20%	57.73%	61.20%
14	7.13%	7.74%	8.35%	53.91%	58.02%	62.05%	65.96%
Average	**5.87%**	**6.55%**	**7.24%**	**36.93%**	**40.33%**	**43.81%**	**47.34%**

[1] *We requested capital market assumptions over a longer horizon from each of the fourteen firms. Six of the firms provided capital market assumptions over a period of 20, 25 or 30 years, the other eight did not provide assumptions over a period longer than 10 years. Each of the six that provided assumptions over a longer horizon had different expectations after the first 10 years. However, two of those six indicated that return expectations after the 10th year were set based on historical return experience, as opposed to a market-based or forward-looking methodology that is predominately used in the development of the 10-year expectations. The other firms did not provide a description of methodology for the longer horizon. Therefore, our analysis is based on capital market assumptions over an investment horizon of five to 10 years for all 14 firms for consistency.*

Investment Return Assumption

RHIC

Firm	Distribution of 20-Year Average Geometric Net Nominal Return 40th	50th	60th	Probability of Exceeding 7.25%	Probability of Exceeding 7.00%	Probability of Exceeding 6.75%	Probability of Exceeding 6.50%
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1	3.70%	4.35%	5.01%	13.50%	15.65%	18.02%	20.61%
2	4.47%	5.13%	5.79%	21.07%	23.89%	26.91%	30.11%
3	4.67%	5.36%	6.06%	24.71%	27.63%	30.72%	33.97%
4	5.21%	5.74%	6.28%	23.96%	27.73%	31.78%	36.07%
5	5.19%	5.85%	6.52%	29.78%	33.13%	36.62%	40.24%
6	5.41%	5.97%	6.54%	28.44%	32.30%	36.38%	40.63%
7	5.32%	5.99%	6.66%	31.81%	35.21%	38.74%	42.37%
8	5.41%	6.04%	6.67%	31.31%	34.94%	38.71%	42.61%
9	5.54%	6.19%	6.84%	34.05%	37.66%	41.38%	45.20%
10	5.54%	6.20%	6.86%	34.44%	38.00%	41.67%	45.42%
11	5.76%	6.32%	6.87%	33.58%	37.80%	42.19%	46.68%
12	6.09%	6.74%	7.39%	42.15%	45.97%	49.83%	53.70%
13	6.22%	6.86%	7.50%	43.84%	47.77%	51.74%	55.70%
14	6.25%	6.91%	7.58%	44.86%	48.65%	52.46%	56.26%
Average	**5.34%**	**5.98%**	**6.61%**	**31.25%**	**34.74%**	**38.37%**	**42.11%**

Job Service

Firm	Distribution of 20-Year Average Geometric Net Nominal Return 40th	50th	60th	Probability of Exceeding 4.75%	Probability of Exceeding 4.50%	Probability of Exceeding 4.25%	Probability of Exceeding 3.75%
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1	2.58%	3.05%	3.52%	17.96%	21.68%	25.82%	35.21%
2	3.42%	3.80%	4.18%	26.58%	32.24%	38.35%	51.38%
3	3.69%	4.00%	4.31%	27.27%	34.33%	42.00%	58.04%
4	3.92%	4.16%	4.40%	26.63%	35.95%	46.21%	66.87%
5	3.80%	4.16%	4.52%	33.92%	40.56%	47.50%	61.45%
6	3.90%	4.27%	4.64%	37.12%	43.75%	50.57%	64.01%
7	3.98%	4.28%	4.58%	34.58%	42.64%	51.05%	67.41%
8	4.02%	4.31%	4.61%	35.51%	43.68%	52.16%	68.50%
9	4.13%	4.40%	4.67%	37.30%	46.37%	55.66%	72.93%
10	4.42%	4.68%	4.94%	47.24%	57.04%	66.44%	82.14%
11	4.41%	4.71%	5.02%	48.75%	57.03%	65.04%	78.99%
12	4.37%	4.75%	5.14%	50.04%	56.59%	62.97%	74.62%
13	4.66%	4.93%	5.20%	56.59%	65.55%	73.73%	86.58%
14	4.83%	5.15%	5.46%	62.53%	69.91%	76.57%	87.12%
Average	**4.01%**	**4.33%**	**4.66%**	**38.72%**	**46.24%**	**53.86%**	**68.23%**

Investment Return Assumption

The 50th percentile return is also related to the geometric average return. The geometric average of a sequence of returns over a number of years is the compound average of those returns over the number of years compounded. As the number of years in the geometric average increase and if the distributions of returns each year are independent and identically distributed, then the geometric average will converge to the median return. The median return is also a reasonable rate of return for purposes of the valuation. The average of 50th percentile returns (based on the recommended price inflation assumption of 2.25 percent) is 6.55 percent for PERS/Highway Patrol, 5.98 percent for RHIC and 4.33 percent for Job Service.

Column 5 of the tables on the previous page show the estimated probability of achieving the current assumed rate of return assumption (7.50 percent for PERS/Highway Patrol, 7.25 percent for RHIC and 4.75 percent for Job Service) over a 20-year period (based on the recommended price inflation assumption of 2.25 percent and the capital market assumptions from the investment consultants, most of which are based on investment horizons of between 5 and 10 years). The average probability of achieving the current assumptions over 20 years based on these assumptions is about 37 percent for PERS/Highway Patrol, 31 percent for RHIC and 39 percent for Job Service.

Callan's most recent expected geometric return for PERS/Highway Patrol based on an inflation assumption of 2.25 percent is 6.18 percent (the expected arithmetic return is 7.50 percent). SEI's most recent expected geometric return for RHIC is 6.0 percent short-term and 8.2 percent equilibrium (5.7 percent and 8.0 percent for Portfolio A) and for Job Service is 4.2 percent short-term and 6.3 percent equilibrium (3.8 percent and 5.9 percent for Portfolio A). SEI's short-term inflation assumption is 2.00 percent and equilibrium assumption is 2.50 percent.

A very important fact to consider when deciding what weight to put on shorter-term results or longer-term results is the amount of benefits that are projected to be paid in the next 10 years. As shown in the following table, about one-third of the present value of future benefits for PERS and about one-half of the present value of future benefits for RHIC and Job Service as of July 1, 2019, is attributable to benefits that are projected to be paid in the next 10 years. Therefore, it is extremely important to consider shorter-term expectations in addition to longer-term expectations in setting the economic assumptions. Both RHIC and Job Service are closed to new members.

($ In Millions) Values as of July 1, 2019			
Plan	PERS	Job Service	RHIC
Valuation Interest Rate (as of July 1, 2019)	7.50%	4.75%	7.25%
(1) Market Value of Assets at Valuation Date	$3,096.7	$97.2	$137.5
(2) Actuarial Accrued Liability at Current Valuation Rate	$4,269.3	$66.2	$217.8
(3) Present Value of Future Benefits (PVFB) at Current Valuation Rate	$5,702.7	$66.3	$252.7
(4) PV of Benefit Payments in Next 10 Years at Current Valuation Rate	$1,873.0	$37.5	$119.3
as % of PVFB (4)/(3)	33%	56%	47%
(5) PV of Benefit Payments in Next 15 Years at Current Valuation Rate	$2,690.4	$49.2	$160.2
as % of PVFB (5)/(3)	47%	74%	63%
(6) PV of Benefit Payments in Next 20 Years at Current Valuation Rate	$3,396.8	$56.9	$190.1
as % of PVFB (6)/(3)	60%	86%	75%
(7) PV of Benefit Payments in Next 30 Years at Current Valuation Rate	$4,491.4	$63.4	$224.5
as % of PVFB (7)/(3)	79%	96%	89%

Investment Return Assumption

Recommendation

Based on (1) the GRS analysis of the expected investment returns for the North Dakota Public Employees Retirement System, RHIC and Job Service Plan, (2) our recommended assumption for inflation of 2.25 percent and (3) the current target asset allocations, we recommend reducing the current investment return assumptions.

For PERS/Highway Patrol, we recommend reducing the investment return assumption of 7.50 percent to 7.00 percent. The probability of exceeding the current 7.50 percent assumption over 20 years is only 37 percent. Based on the data reviewed, we could support a 7.25 percent discount rate for the valuation as of July 1, 2020, but NDPERS should note that this investment return assumption is at the upper end of a reasonable range. If capital market assumptions decline further from present levels, a 7.25 percent return assumption might not comply with actuarial standards for the July 1, 2021 or later valuation. A rate such as 7.00 percent would be more likely to be sustainable for a longer period.

For RHIC, we recommend reducing the investment return assumption of 7.25 percent to 6.50 percent. The probability of exceeding the current 7.25 percent assumption over 20 years is only 31 percent.

For Job Service, we recommend reducing the investment return assumption of 4.75 percent to 4.25 percent. The probability of exceeding the current 4.75 percent assumption over 20 years is only 39 percent.

We recommend that the assumed investment return assumptions be monitored for continued appropriateness between full experience reviews. Also, any significant changes in the target asset allocations of the Systems may warrant an additional review of the rate of return assumption.

We believe that the recommended assumptions can be supported by Actuarial Standard of Practice No. 27. Under the Standard, all economic assumptions must be selected to be consistent with the purpose of the measurement. The purpose of the measurement is to determine the contribution rate which will lead to the accumulation of assets to pay benefits when due.

Payroll Growth Assumption

Total Payroll Growth Assumption

The total payroll growth assumption is used in the actuarial valuation to project how total payroll will increase (and therefore affects the amortization of the unfunded liability payment which is calculated as a level percentage of projected total payroll).

The current and recommended inflation and total payroll growth assumptions are shown in the following summary table. Actual payroll growth experience is shown on the table on the next page.

System	Current Inflation	Current Payroll Growth	Recommended Inflation	Recommended Payroll Growth
Main, Public Safety	2.50%	3.75%	2.25%	3.50%
Judges	2.50%	3.25%	2.25%	3.00%
Highway Patrol	2.50%	3.75%	2.25%	3.50%
RHIC	2.50%	3.75%	2.25%	3.50%

Payroll Growth Assumption

		Main System				Judges			
	Inflation	Total Covered Payroll	# Active Members	Implied Increase in Payroll (0% Member Growth)	Excess over Inflation of Implied Increase in Payroll	Total Covered Payroll	# Active Members	Implied Increase in Payroll (0% Member Growth)	Excess over inflation of Implied Increase in Payroll
Average Change (3-Year)	2.05%	1.06%	0.09%	0.97%	-1.08%	0.95%	0.00%	0.95%	-1.10%
Average Change (5-Year)	1.45%	3.29%	0.91%	2.36%	0.91%	4.04%	2.29%	1.71%	0.26%
Average Change (10-Year)	1.73%	4.98%	1.49%	3.44%	1.70%	4.55%	1.77%	2.74%	1.00%
Average Change (15-Year)	2.19%	5.55%	1.78%	3.71%	1.52%	4.45%	1.32%	3.09%	0.91%
Average Change (19-Year)	2.11%	5.47%	1.78%	3.62%	1.51%	4.07%	0.81%	3.23%	1.12%
		Public Safety with prior Main System service				Public Safety w/o prior Main service			
	Inflation	Total Covered Payroll	# Active Members	Implied Increase in Payroll (0% Member Growth)	Excess over Inflation of Implied Increase in Payroll	Total Covered Payroll	# Active Members	Implied Increase in Payroll (0% Member Growth)	Excess over Inflation of Implied Increase in Payroll
Average Change (3-Year)	2.05%	15.06%	13.70%	1.19%	-0.86%	15.33%	11.87%	3.10%	1.05%
Average Change (5-Year)	1.45%	23.32%	18.37%	4.18%	2.73%	16.57%	11.02%	5.00%	3.54%
Average Change (10-Year)	1.73%	21.14%	15.06%	5.28%	3.55%	23.50%	16.65%	5.87%	4.13%
Average Change (15-Year)	2.19%	24.08%	18.69%	4.54%	2.35%	23.48%	17.80%	4.83%	2.64%
Average Change (19-Year)	2.11%	28.38%	23.63%	3.84%	1.73%	NA	NA	NA	NA
		Total PERS				Highway Patrol			
	Inflation	Total Covered Payroll	# Active Members	Implied Increase in Payroll (0% Member Growth)	Excess over Inflation of Implied Increase in Payroll	Total Covered Payroll	# Active Members	Implied Increase in Payroll (0% Member Growth)	Excess over Inflation of Implied Increase in Payroll
Average Change (3-Year)	2.05%	1.56%	0.48%	1.08%	-0.97%	-0.46%	-2.63%	2.23%	0.18%
Average Change (5-Year)	1.45%	3.86%	1.31%	2.52%	1.07%	1.78%	-1.59%	3.42%	1.97%
Average Change (10-Year)	1.73%	5.37%	1.76%	3.54%	1.81%	4.69%	0.80%	3.86%	2.12%
Average Change (15-Year)	2.19%	5.86%	2.01%	3.77%	1.59%	4.92%	0.58%	4.31%	2.13%
Average Change (19-Year)	2.11%	5.72%	1.98%	3.67%	1.56%	4.67%	0.88%	3.76%	1.66%

Historical total covered payroll and number of active members for years prior to GRS being the actuary are from the prior actuary's reports or the CAFRs.

Salary Increase Assumption

Salary Increase

The components that determine the total salary increase are price inflation and productivity (i.e., general wage growth) and merit and longevity increases. We recommend a change to the merit and longevity increase portion of the salary increase assumption to better reflect actual experience.

The current assumptions have a service-based rate of increase for the first few years of service and an age-based rate of increase thereafter. There is a single salary increase rate for Judges that applies to all years of service and ages. We recommend maintaining the current structure for rates of salary increase.

The observed experience in Tables I(a) through II(e) shows that salary increases were lower than the current assumptions during the experience study period. However, average inflation over the experience study period was relatively low, at about 1.45 percent. Therefore, our recommend rates of salary increases in excess of inflation are based on reviewing the real salary increase experience. The recommended rates result in an overall decrease in assumed rates of salary increase.

The prior actuary did not annualize pay for new members. When GRS became the actuary, GRS annualized pay for new members. Therefore, we show service-based salary experience for each of the five years of the experience study in order to recommend appropriate salary increase assumptions. As evidenced in the following tables, actual service-based pay increases for 2014-2015 and 2015-2016 were considerably higher than in other years. To determine assumptions that are not skewed by comparing increases in salary that may be based on a partial year, our proposed service-based salary increase assumptions are based on 2016-2019 experience only.

In the tables, the real salary increases (in excess of inflation) and the total salary increases are shown.

Group	Salary Experience Table – Service Based	Salary Experience Graph – Service Based	Salary Experience Table – Age Based	Salary Experience Graph – Service Based
Main System – State	I(a)	I(a)	II(a)	II(a)
Main System – Non-State	I(b)	I(b)	II(b)	II(b)
Public Safety	I(c)	I(c)	II(c)	II(c)
Judges	I(d)	I(d)		
Highway Patrol	I(e)	I(e)	II(e)	II(e)

Salary Increase Assumption

State – Service-Based

Table I(a)

Year	Actual Payroll Prior Year	Actual Payroll Current Year	Expected Current Year	Actual Real Increase[1]	Actual Total Increase
1 Year of Service at Assumed Pay Increase					
2014-2015	4,691,136	14,232,840	5,254,083	201.95%	203.40%
2015-2016	11,653,009	14,616,085	13,051,358	23.98%	25.43%
2016-2017	13,170,060	14,287,399	14,750,462	7.03%	8.48%
2017-2018	9,240,326	10,052,963	10,349,170	7.34%	8.79%
2018-2019	12,577,368	13,679,947	14,086,659	7.32%	8.77%
Total	51,331,899	66,869,234	57,491,732	28.82%	30.27%
Total 2016-2019	34,987,754	38,020,309	39,186,291	7.22%	8.67%
2 Years of Service at Assumed Pay Increase					
2014-2015	23,607,145	31,579,098	25,849,835	32.32%	33.77%
2015-2016	28,153,531	31,255,083	30,828,129	9.57%	11.02%
2016-2017	30,665,493	32,316,699	33,578,714	3.93%	5.38%
2017-2018	24,962,682	26,044,322	27,334,136	2.88%	4.33%
2018-2019	22,414,609	23,486,513	24,543,991	3.33%	4.78%
Total	129,803,460	144,681,715	142,134,805	10.01%	11.46%
Total 2016-2019	78,042,784	81,847,534	85,456,841	3.42%	4.88%
3 Years of Service at Assumed Pay Increase					
2014-2015	23,832,295	25,964,286	25,560,148	7.49%	8.95%
2015-2016	28,366,773	30,330,459	30,423,341	5.47%	6.92%
2016-2017	27,973,998	29,363,911	30,002,118	3.52%	4.97%
2017-2018	28,177,023	28,808,895	30,219,847	0.79%	2.24%
2018-2019	22,700,101	23,485,218	24,345,847	2.01%	3.46%
Total	131,050,190	137,952,769	140,551,301	3.82%	5.27%
Total 2016-2019	78,851,122	81,658,024	84,567,812	2.11%	3.56%

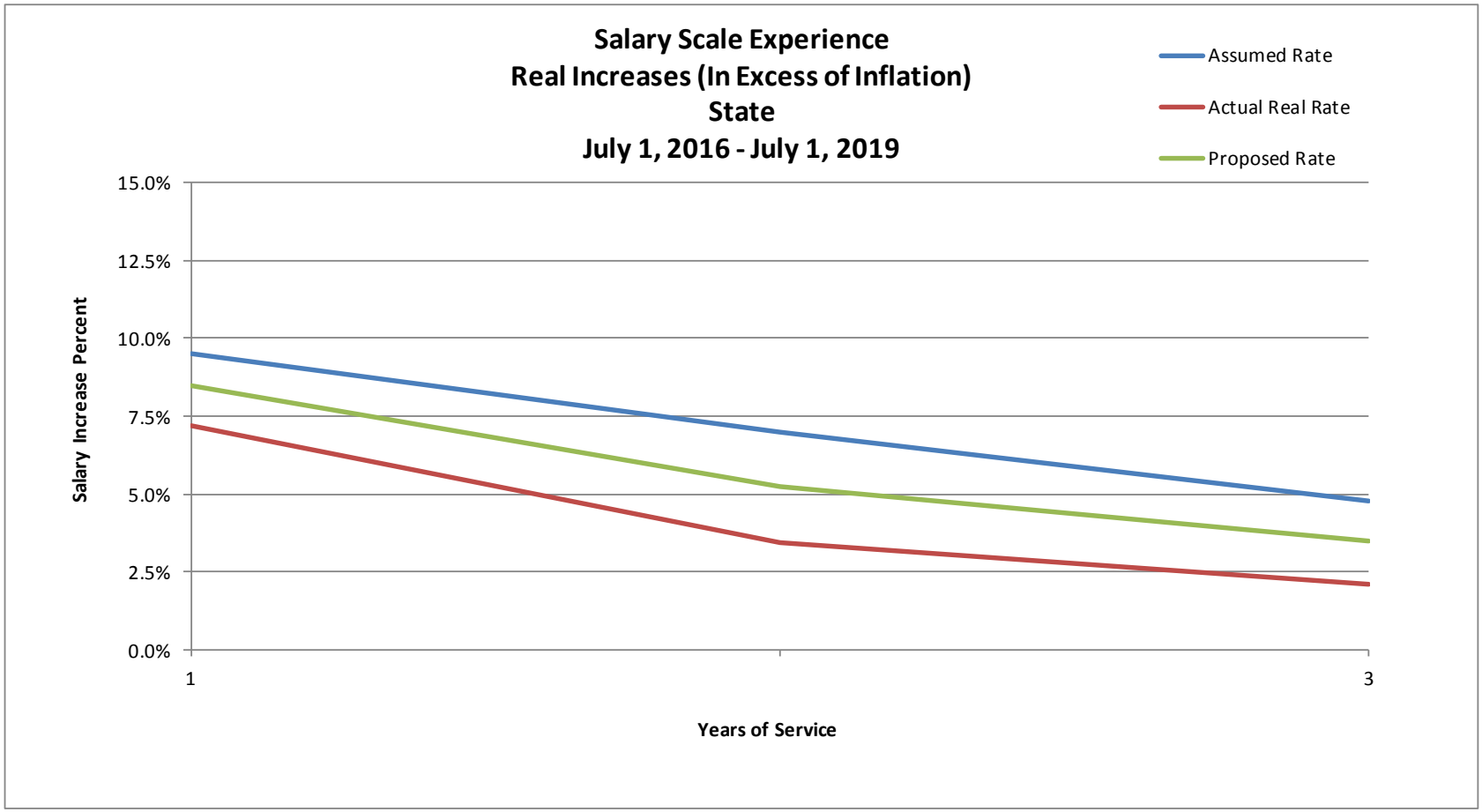
Summary based on 2016-2019 Experience

Service at Assumed Pay Increase	Number	Actual Payroll Prior Year	Actual Payroll Current Year	Expected Current Year	Actual Real Increase[1]	Actual Total Increase	Expected Real Increase[2]	Expected Total Increase	Proposed Real Increase[3]	Proposed Total Increase
1	895	$ 34,987,754	$ 38,020,309	$ 39,186,291	7.22%	8.67%	9.50%	12.00%	8.50%	10.75%
2	1,884	78,042,784	81,847,534	85,456,841	3.42%	4.88%	7.00%	9.50%	5.25%	7.50%
3	1,811	78,851,122	81,658,024	84,567,812	2.11%	3.56%	4.75%	7.25%	3.50%	5.75%
Total	**4,590**	**$ 191,881,660**	**$ 201,525,867**	**$ 209,210,944**	**3.58%**	**5.03%**	**6.53%**	**9.03%**	**5.12%**	**7.37%**

[1]*Total increase less average inflation of 1.45% over 2019 experience study period.*
[2]*Total increase less average assumed inflation of 2.50%.*
[3]*Total increase will equal the real increase plus the proposed inflation assumption.*

Salary Increase Assumption

Graph I(a)



Real increases are equal to total increases less inflation of 1.45% for actual rates, 2.50% for assumed rates and 2.25% for proposed rates.

Salary Increase Assumption

State – Age-Based

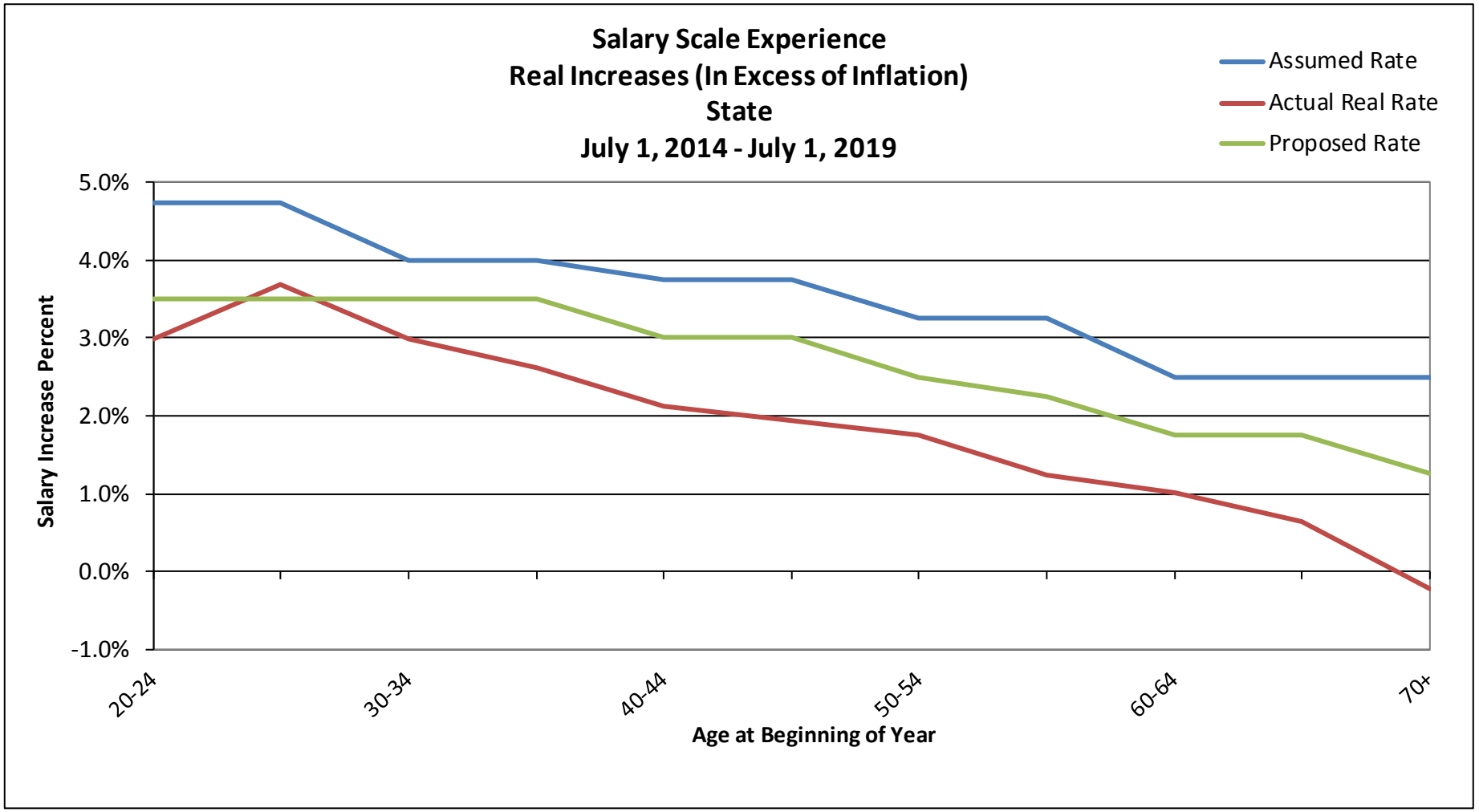
Table II(a)

Age at Beginning of Year	Number	Actual Payroll		Expected Current Year	Actual Real Increase[1]	Actual Total Increase	Expected Real Increase[2]	Expected Total Increase	Proposed Real Increase[3]	Proposed Total Increase
		Prior Year	Current Year							
20-24	97	$ 3,367,789	$ 3,517,118	$ 3,611,952	2.98%	4.43%	4.75%	7.25%	3.50%	5.75%
25-29	1,415	61,816,368	64,997,341	66,298,024	3.69%	5.15%	4.75%	7.25%	3.50%	5.75%
30-34	3,406	168,225,748	175,688,279	179,160,409	2.99%	4.44%	4.00%	6.50%	3.50%	5.75%
35-39	4,327	228,718,963	238,026,596	243,585,637	2.62%	4.07%	4.00%	6.50%	3.50%	5.75%
40-44	4,431	237,283,213	245,767,352	252,113,840	2.12%	3.58%	3.75%	6.25%	3.00%	5.25%
45-49	4,916	272,791,865	282,061,735	289,841,866	1.95%	3.40%	3.75%	6.25%	3.00%	5.25%
50-54	6,184	342,951,252	353,935,467	362,670,955	1.75%	3.20%	3.25%	5.75%	2.50%	4.75%
55-59	7,065	381,842,884	392,114,919	403,798,886	1.24%	2.69%	3.25%	5.75%	2.25%	4.50%
60-64	4,968	266,405,952	272,977,797	279,726,277	1.02%	2.47%	2.50%	5.00%	1.75%	4.00%
65-69	1,063	55,434,309	56,595,568	58,206,011	0.64%	2.09%	2.50%	5.00%	1.75%	4.00%
70+	230	10,655,052	10,785,109	11,187,807	-0.23%	1.22%	2.50%	5.00%	1.25%	3.50%
Total	**38,102**	**$2,029,493,395**	**$2,096,467,281**	**$2,150,201,664**	**1.85%**	**3.30%**	**3.45%**	**5.95%**	**2.68%**	**4.93%**

[1] *Total increase less average inflation of 1.45% over experience study period.*
[2] *Total increase less average assumed inflation of 2.50%.*
[3] *Total increase less proposed assumed inflation of 2.25%.*

Salary Increase Assumption

Graph II(a)



Real increases are equal to total increases less inflation of 1.45% for actual rates, 2.50% for assumed rates and 2.25% for proposed rates.

Salary Increase Assumption

Non-State – Service-Based

Table I(b)

Year	Actual Payroll Prior Year	Actual Payroll Current Year	Expected Current Year	Actual Real Increase[1]	Actual Total Increase
1 Year of Service at Assumed Pay Increase					
2014-2015	9,356,130	21,472,139	10,759,553	128.05%	129.50%
2015-2016	12,929,169	21,192,559	14,868,539	62.46%	63.91%
2016-2017	19,671,309	20,995,208	22,621,957	5.28%	6.73%
2017-2018	16,326,997	18,385,532	18,776,055	11.16%	12.61%
2018-2019	14,473,456	16,696,073	16,644,464	13.91%	15.36%
Total	72,757,061	98,741,511	83,670,568	34.26%	35.71%
Total 2016-2019	50,471,762	56,076,813	58,042,476	9.65%	11.11%
2 Years of Service at Assumed Pay Increase					
2014-2015	33,208,421	45,020,682	36,529,198	34.12%	35.57%
2015-2016	37,435,759	43,794,001	41,179,285	15.53%	16.98%
2016-2017	47,279,930	49,688,986	52,007,839	3.64%	5.10%
2017-2018	38,728,005	40,684,417	42,600,767	3.60%	5.05%
2018-2019	36,862,645	39,282,143	40,548,895	5.11%	6.56%
Total	193,514,760	218,470,229	212,865,984	11.44%	12.90%
Total 2016-2019	122,870,580	129,655,546	135,157,501	4.07%	5.52%
3 Years of Service at Assumed Pay Increase					
2014-2015	28,949,121	32,433,817	31,265,034	10.59%	12.04%
2015-2016	33,829,093	36,310,471	36,535,031	5.88%	7.34%
2016-2017	37,733,877	40,252,367	40,752,579	5.22%	6.67%
2017-2018	41,879,979	43,529,161	45,230,374	2.49%	3.94%
2018-2019	34,162,866	36,565,506	36,895,894	5.58%	7.03%
Total	176,554,936	189,091,322	190,678,912	5.65%	7.10%
Total 2016-2019	113,776,722	120,347,034	122,878,847	4.32%	5.77%

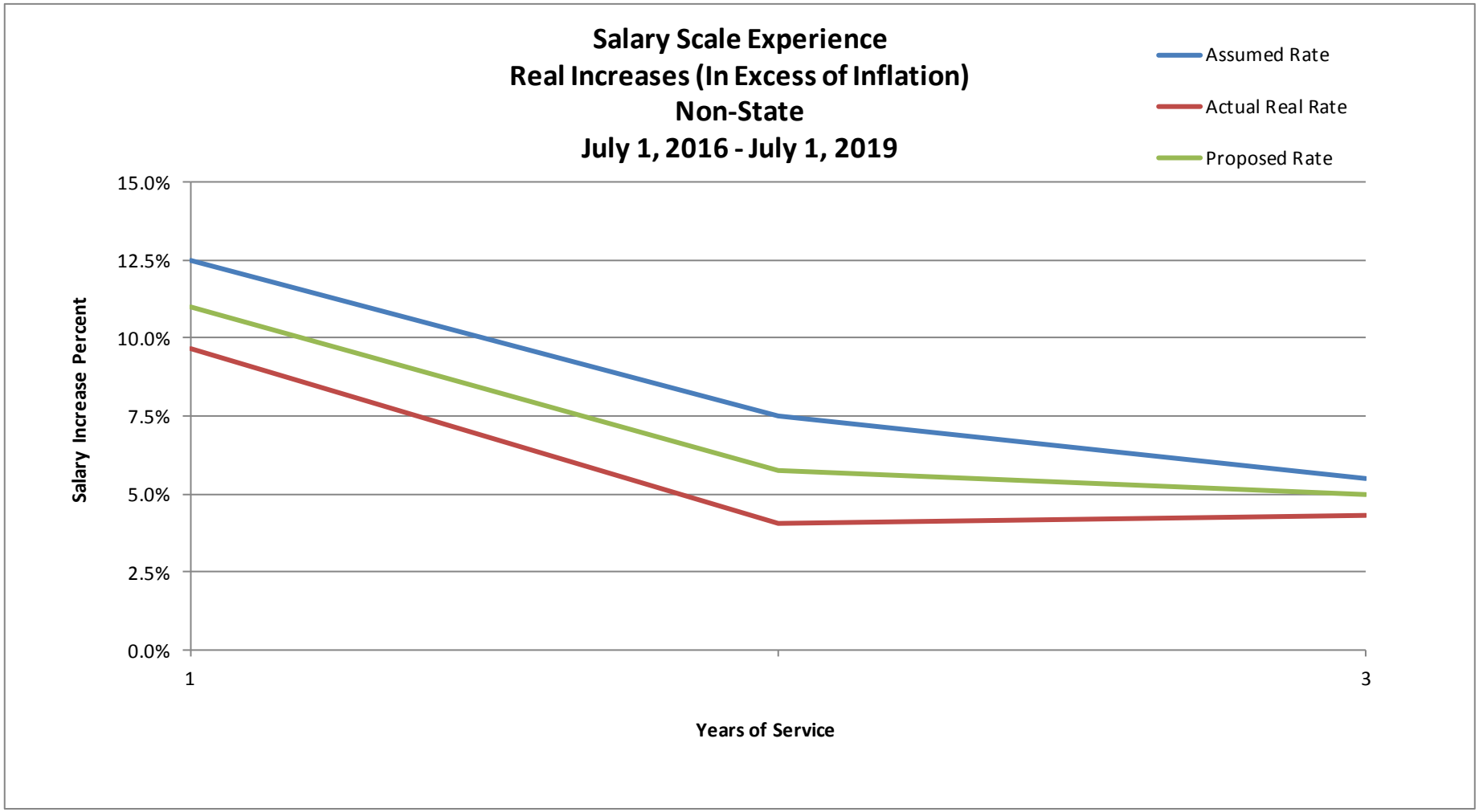
Summary based on 2016-2019 Experience

Service at Assumed Pay Increase	Number	Actual Payroll Prior Year	Actual Payroll Current Year	Expected Current Year	Actual Real Increase[1]	Actual Total Increase	Expected Real Increase[2]	Expected Total Increase	Proposed Real Increase[3]	Proposed Total Increase
1	1,619	$ 50,471,762	$ 56,076,813	$ 58,042,476	9.65%	11.11%	12.50%	15.00%	11.00%	13.25%
2	3,896	122,870,580	129,655,546	135,157,501	4.07%	5.52%	7.50%	10.00%	5.75%	8.00%
3	3,382	113,776,722	120,347,034	122,878,847	4.32%	5.77%	5.50%	8.00%	5.00%	7.25%
Total	**8,897**	**$ 287,119,064**	**$ 306,079,393**	**$ 316,078,824**	**5.15%**	**6.60%**	**7.59%**	**10.09%**	**6.38%**	**8.63%**

[1]*Total increase less average inflation of 1.45% over 2019 experience study period.*
[2]*Total increase less average assumed inflation of 2.50%.*
[3]*Total increase will equal the real increase plus the proposed inflation assumption.*

Salary Increase Assumption

Graph I(b)



Real increases are equal to total increases less inflation of 1.45% for actual rates, 2.50% for assumed rates and 2.25% for proposed rates.

Salary Increase Assumption

Non-State – Age-Based

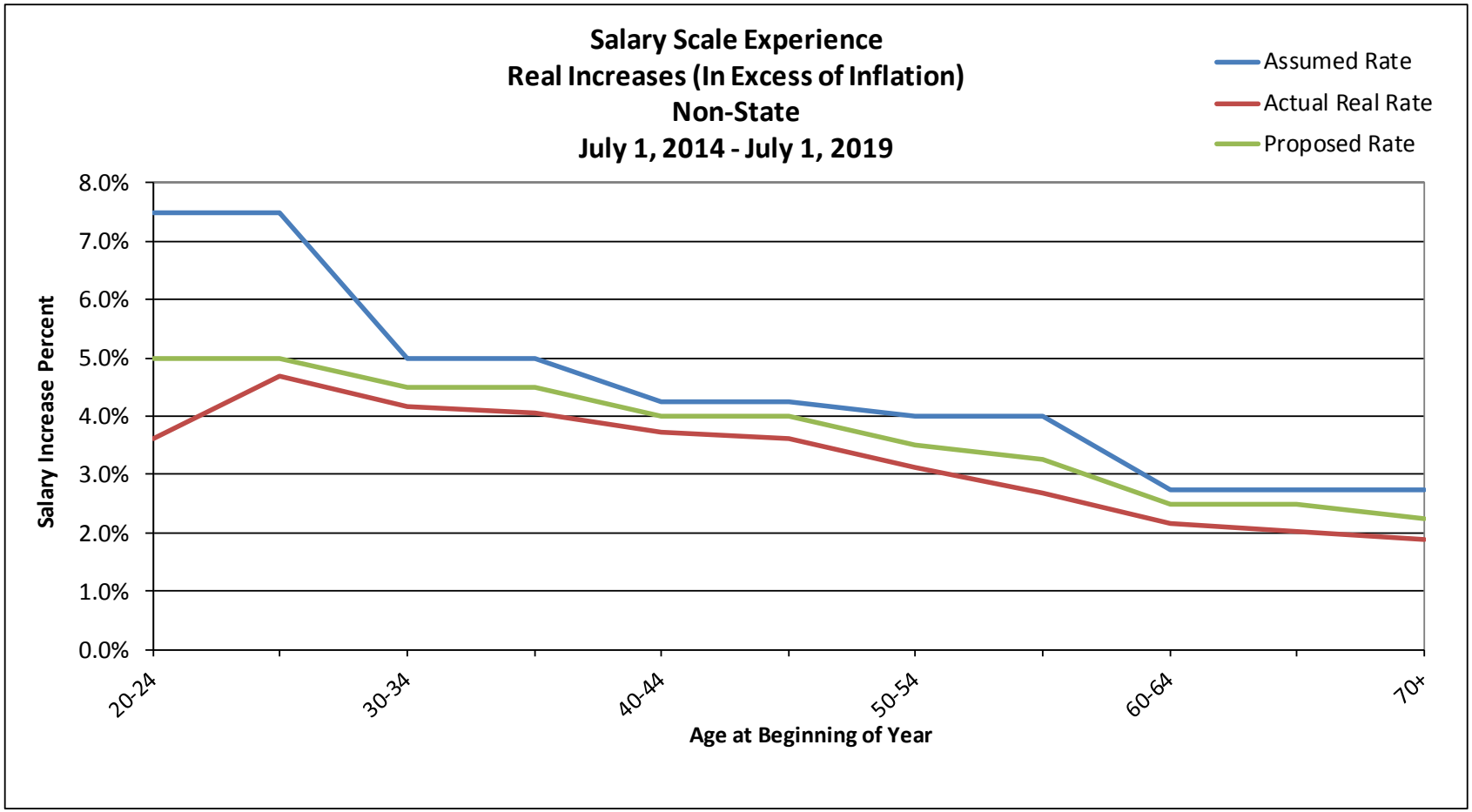
Table II(b)

Age at Beginning of Year	Number	Actual Payroll		Expected Current Year	Actual Real Increase[1]	Actual Total Increase	Expected Real Increase[2]	Expected Total Increase	Proposed Real Increase[3]	Proposed Total Increase
		Prior Year	Current Year							
20-24	179	$ 6,114,122	$ 6,424,658	$ 6,725,526	3.63%	5.08%	7.50%	10.00%	5.00%	7.25%
25-29	1,495	60,846,056	64,582,120	66,930,579	4.69%	6.14%	7.50%	10.00%	5.00%	7.25%
30-34	2,663	117,761,832	124,360,378	126,593,887	4.15%	5.60%	5.00%	7.50%	4.50%	6.75%
35-39	3,377	148,490,192	156,663,079	159,626,894	4.05%	5.50%	5.00%	7.50%	4.50%	6.75%
40-44	4,021	175,641,395	184,758,827	187,497,189	3.74%	5.19%	4.25%	6.75%	4.00%	6.25%
45-49	4,824	202,166,347	212,422,479	215,812,597	3.62%	5.07%	4.25%	6.75%	4.00%	6.25%
50-54	5,970	246,119,673	257,409,268	262,117,457	3.14%	4.59%	4.00%	6.50%	3.50%	5.75%
55-59	7,060	290,304,176	302,278,217	309,173,915	2.67%	4.12%	4.00%	6.50%	3.25%	5.50%
60-64	5,177	206,774,294	214,266,884	217,629,905	2.17%	3.62%	2.75%	5.25%	2.50%	4.75%
65-69	1,424	50,988,980	52,757,865	53,665,893	2.02%	3.47%	2.75%	5.25%	2.50%	4.75%
70+	617	17,356,404	17,933,973	18,267,610	1.88%	3.33%	2.75%	5.25%	2.25%	4.50%
Total	**36,807**	**$1,522,563,471**	**$1,593,857,748**	**$1,624,041,452**	**3.23%**	**4.68%**	**4.16%**	**6.66%**	**3.63%**	**5.88%**

[1] *Total increase less average inflation of 1.45% over experience study period.*
[2] *Total increase less average assumed inflation of 2.50%.*
[3] *Total increase less proposed assumed inflation of 2.25%.*

Salary Increase Assumption

Graph II(b)



Real increases are equal to total increases less inflation of 1.45% for actual rates, 2.50% for assumed rates and 2.25% for proposed rates.

Salary Increase Assumption

Public Safety – Service-Based

Table I(c)

Year	Actual Payroll Prior Year	Actual Payroll Current Year	Expected Current Year	Actual Real Increase[1]	Actual Total Increase
1 Year of Service at Assumed Pay Increase					
2014-2015	842,787	2,411,715	1,011,343	184.71%	186.16%
2015-2016	789,134	1,169,340	946,962	46.73%	48.18%
2016-2017	939,570	1,082,936	1,127,483	13.81%	15.26%
2017-2018	602,809	730,449	723,374	19.72%	21.17%
2018-2019	1,195,406	1,337,513	1,434,492	10.44%	11.89%
Total	4,369,706	6,731,953	5,243,654	52.61%	54.06%
Total 2016-2019	2,737,785	3,150,898	3,285,349	13.64%	15.09%
2 Years of Service at Assumed Pay Increase					
2014-2015	2,202,550	3,357,152	2,643,066	50.97%	52.42%
2015-2016	2,678,285	3,268,499	3,213,942	20.59%	22.04%
2016-2017	2,218,398	2,458,096	2,662,081	9.35%	10.81%
2017-2018	2,601,296	2,764,542	3,121,549	4.82%	6.28%
2018-2019	3,311,028	3,668,560	3,973,236	9.35%	10.80%
Total	13,011,557	15,516,849	15,613,874	17.80%	19.25%
Total 2016-2019	8,130,722	8,891,198	9,756,866	7.90%	9.35%
3 Years of Service at Assumed Pay Increase					
2014-2015	1,636,022	1,803,083	1,963,226	8.76%	10.21%
2015-2016	2,385,318	2,647,344	2,862,386	9.53%	10.98%
2016-2017	3,678,562	3,891,029	4,414,272	4.32%	5.78%
2017-2018	2,541,409	2,628,632	3,049,691	1.98%	3.43%
2018-2019	3,718,932	3,940,848	4,462,716	4.52%	5.97%
Total	13,960,243	14,910,936	16,752,291	5.36%	6.81%
Total 2016-2019	9,938,903	10,460,509	11,926,679	3.80%	5.25%
4 Years of Service at Assumed Pay Increase					
2014-2015	2,300,298	2,470,670	2,530,329	5.96%	7.41%
2015-2016	1,582,172	1,728,572	1,740,383	7.80%	9.25%
2016-2017	2,913,802	2,991,082	3,205,183	1.20%	2.65%
2017-2018	3,128,707	3,251,955	3,441,576	2.49%	3.94%
2018-2019	3,288,516	3,438,180	3,617,369	3.10%	4.55%
Total	13,213,495	13,880,459	14,534,840	3.60%	5.05%
Total 2016-2019	9,331,025	9,681,217	10,264,128	2.30%	3.75%
5 Years of Service at Assumed Pay Increase					
2014-2015	1,037,360	1,103,161	1,141,097	4.89%	6.34%
2015-2016	2,610,481	2,819,084	2,871,528	6.54%	7.99%
2016-2017	2,109,264	2,201,015	2,320,193	2.90%	4.35%
2017-2018	2,712,052	2,883,250	2,983,256	4.86%	6.31%
2018-2019	3,203,101	3,310,764	3,523,411	1.91%	3.36%
Total	11,672,258	12,317,274	12,839,485	4.08%	5.53%
Total 2016-2019	8,024,417	8,395,029	8,826,860	3.17%	4.62%

[1] *Total increase less average inflation of 1.45% over 2019 experience study period.*

Salary Increase Assumption

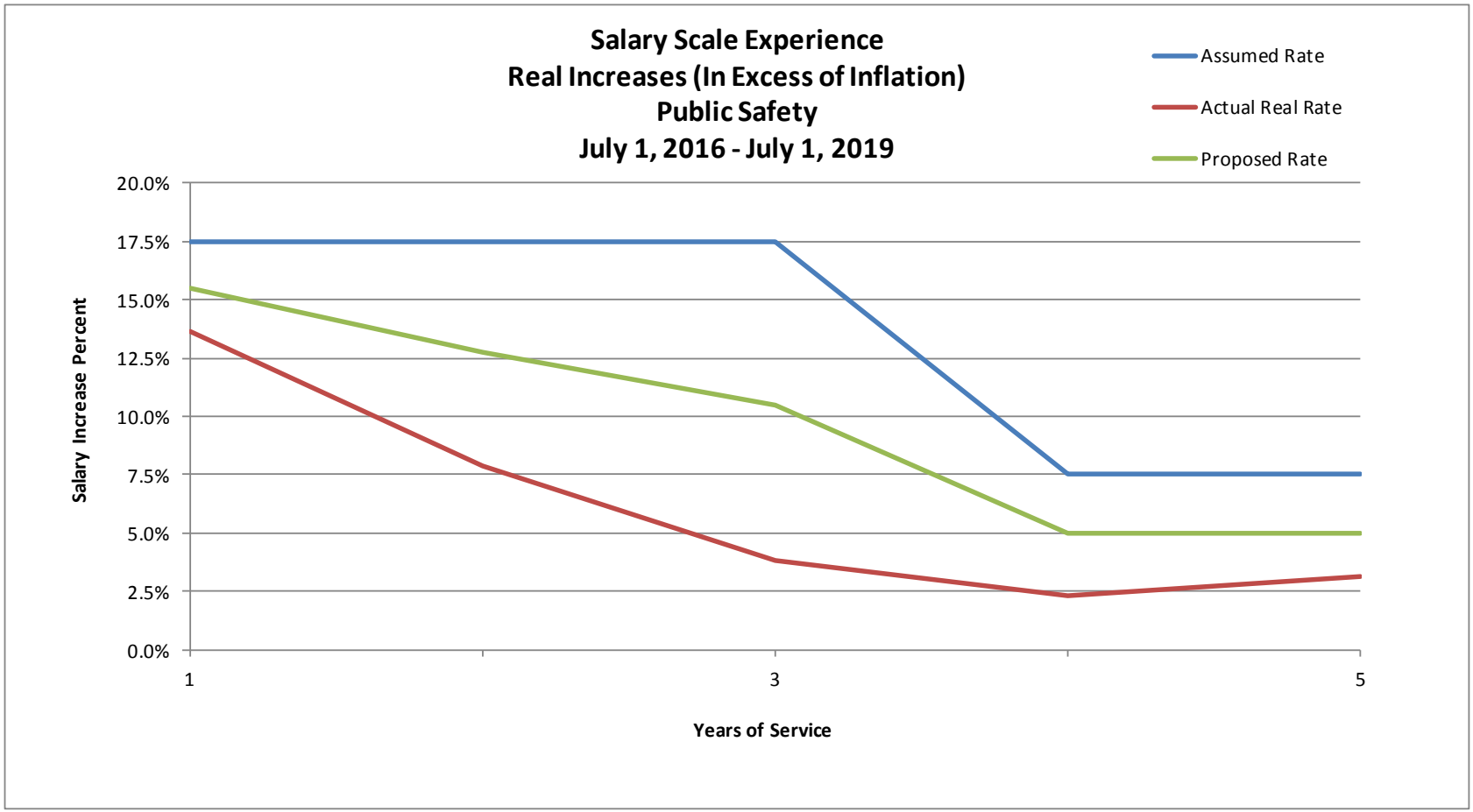
Public Safety – Service-Based

Summary based on 2016-2019 Experience										
Service at Assumed Pay Increase	Number	Actual Payroll		Expected Current Year	Actual Real Increase[1]	Actual Total Increase	Expected Real Increase[2]	Expected Total Increase	Proposed Real Increase[3]	Proposed Total Increase
		Prior Year	Current Year							
1	60	$ 2,737,785	$ 3,150,898	$ 3,285,349	13.64%	15.09%	17.50%	20.00%	15.50%	17.75%
2	175	8,130,722	8,891,198	9,756,866	7.90%	9.35%	17.50%	20.00%	12.75%	15.00%
3	200	9,938,903	10,460,509	11,926,679	3.80%	5.25%	17.50%	20.00%	10.50%	12.75%
4	178	9,331,025	9,681,217	10,264,128	2.30%	3.75%	7.50%	10.00%	5.00%	7.25%
5	151	8,024,417	8,395,029	8,826,860	3.17%	4.62%	7.50%	10.00%	5.00%	7.25%
Total	**529**	**$ 38,162,852**	**$ 40,578,851**	**$ 44,059,882**	**4.88%**	**6.33%**	**12.95%**	**15.45%**	**8.84%**	**11.09%**

[1]*Total increase less average inflation of 1.45% over 2019 experience study period.*
[2]*Total increase less average assumed inflation of 2.50%.*
[3]*Total increase will equal the real increase plus the proposed inflation assumption.*

Salary Increase Assumption

Graph I(c)



Real increases are equal to total increases less inflation of 1.45% for actual rates, 2.50% for assumed rates and 2.25% for proposed rates.

Salary Increase Assumption

Public Safety – Age-Based

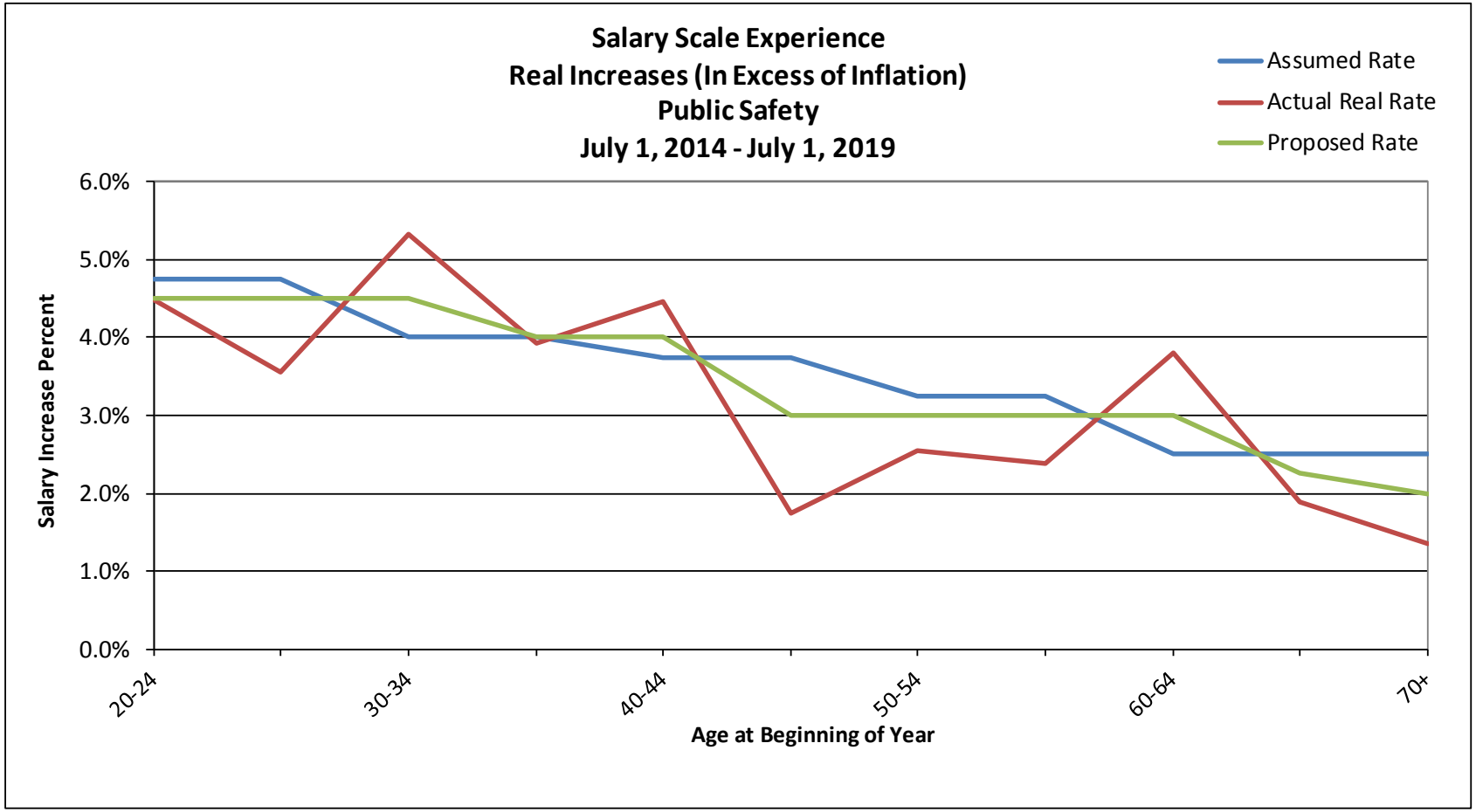
Table II(c)

Age at Beginning of Year	Number	Actual Payroll		Expected Current Year	Actual Real Increase[1]	Actual Total Increase	Expected Real Increase[2]	Expected Total Increase	Proposed Real Increase[3]	Proposed Total Increase
		Prior Year	Current Year							
20-24	1	$ 62,098	$ 65,786	$ 66,600	4.49%	5.94%	4.75%	7.25%	4.50%	6.75%
25-29	82	4,429,985	4,651,883	4,751,159	3.56%	5.01%	4.75%	7.25%	4.50%	6.75%
30-34	234	13,201,215	14,096,277	14,059,293	5.33%	6.78%	4.00%	6.50%	4.50%	6.75%
35-39	180	10,677,788	11,252,598	11,371,853	3.93%	5.38%	4.00%	6.50%	4.00%	6.25%
40-44	187	11,849,491	12,549,807	12,590,094	4.46%	5.91%	3.75%	6.25%	4.00%	6.25%
45-49	146	8,913,264	9,197,505	9,470,350	1.74%	3.19%	3.75%	6.25%	3.00%	5.25%
50-54	123	8,098,090	8,421,103	8,563,729	2.54%	3.99%	3.25%	5.75%	3.00%	5.25%
55-59	87	5,889,571	6,114,850	6,228,217	2.37%	3.83%	3.25%	5.75%	3.00%	5.25%
60-64	66	4,910,203	5,168,237	5,155,710	3.80%	5.26%	2.50%	5.00%	3.00%	5.25%
65-69	4	167,552	173,162	175,930	1.90%	3.35%	2.50%	5.00%	2.25%	4.50%
70+	9	179,348	184,374	188,316	1.35%	2.80%	2.50%	5.00%	2.00%	4.25%
Total	**1,119**	**$ 68,378,605**	**$ 71,875,582**	**$ 72,621,251**	**3.66%**	**5.11%**	**3.70%**	**6.20%**	**3.71%**	**5.96%**

[1] *Total increase less average inflation of 1.45% over experience study period.*
[2] *Total increase less average assumed inflation of 2.50%.*
[3] *Total increase less proposed assumed inflation of 2.25%.*

Salary Increase Assumption

Graph II(c)



Real increases are equal to total increases less inflation of 1.45% for actual rates, 2.50% for assumed rates and 2.25% for proposed rates.

Salary Increase Assumption

Judges – Service-Based

Table I(d)

Year	Actual Payroll Prior Year	Actual Payroll Current Year	Expected Current Year	Actual Real Increase[1]	Actual Total Increase
1 Year of Service at Assumed Pay Increase					
2014-2015	-	-	-		
2015-2016	123,284	139,680	128,215	11.85%	13.30%
2016-2017	-	-	-		
2017-2018	-	-	-		
2018-2019	145,966	143,868	151,805	-2.89%	-1.44%
Total	269,250	283,548	280,020	3.86%	5.31%
Total 2016-2019	145,966	143,868	151,805	-2.89%	-1.44%
2 Years of Service at Assumed Pay Increase					
2014-2015	595,671	815,628	619,499	35.47%	36.93%
2015-2016	415,466	419,040	432,084	-0.59%	0.86%
2016-2017	279,926	287,736	291,123	1.34%	2.79%
2017-2018	143,868	143,868	149,623	-1.45%	0.00%
2018-2019	144,534	143,868	150,316	-1.91%	-0.46%
Total	1,579,465	1,810,140	1,642,645	13.15%	14.60%
Total 2016-2019	568,328	575,472	591,062	-0.19%	1.26%
3 Years of Service at Assumed Pay Increase					
2014-2015	131,664	135,612	136,931	1.55%	3.00%
2015-2016	544,404	562,752	566,179	1.92%	3.37%
2016-2017	419,040	431,604	435,801	1.55%	3.00%
2017-2018	434,040	431,604	451,402	-2.01%	-0.56%
2018-2019	143,868	143,868	149,623	-1.45%	0.00%
Total	1,673,016	1,705,440	1,739,936	0.49%	1.94%
Total 2016-2019	996,948	1,007,076	1,036,826	-0.44%	1.02%

[1] *Total increase less average inflation of 1.45% over experience study period.*

Salary Increase Assumption

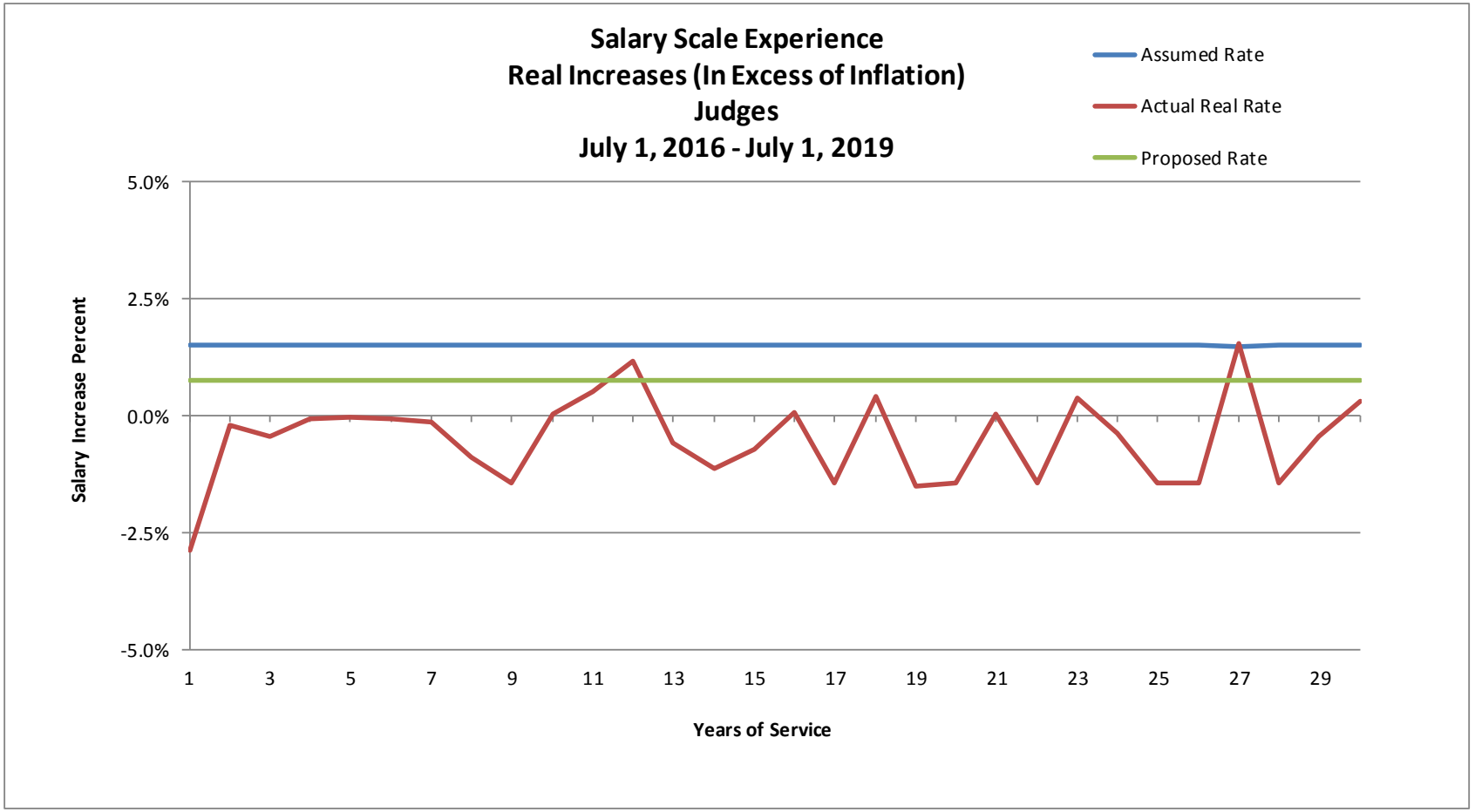
Judges – Service-Based

Summary based on 2016-2019 Experience										
Service at Assumed Pay Increase	Number	Actual Payroll		Expected Current Year	Actual Real Increase[1]	Actual Total Increase	Expected Real Increase[2]	Expected Total Increase	Proposed Real Increase[3]	Proposed Total Increase
		Prior Year	Current Year							
1	1	$ 145,966	$ 143,868	$ 151,805	-2.89%	-1.44%	1.50%	4.00%	0.75%	3.00%
2	4	568,328	575,472	591,062	-0.19%	1.26%	1.50%	4.00%	0.75%	3.00%
3	7	996,948	1,007,076	1,036,826	-0.44%	1.02%	1.50%	4.00%	0.75%	3.00%
4	11	1,570,547	1,592,417	1,633,370	-0.06%	1.39%	1.50%	4.00%	0.75%	3.00%
5	9	1,296,967	1,315,182	1,348,846	-0.05%	1.40%	1.50%	4.00%	0.75%	3.00%
6	8	1,158,786	1,174,806	1,205,138	-0.07%	1.38%	1.50%	4.00%	0.75%	3.00%
7	7	1,007,117	1,020,216	1,047,403	-0.15%	1.30%	1.50%	4.00%	0.75%	3.00%
8	5	728,287	732,480	757,419	-0.88%	0.58%	1.50%	4.00%	0.75%	3.00%
9	3	431,604	431,604	448,869	-1.45%	0.00%	1.50%	4.00%	0.75%	3.00%
10	2	287,580	291,888	299,083	0.05%	1.50%	1.50%	4.00%	0.75%	3.00%
11	3	427,386	435,756	444,481	0.51%	1.96%	1.50%	4.00%	0.75%	3.00%
12	9	1,282,823	1,316,256	1,334,135	1.16%	2.61%	1.50%	4.00%	0.75%	3.00%
13	10	1,443,408	1,455,972	1,501,145	-0.58%	0.87%	1.50%	4.00%	0.75%	3.00%
14	9	1,307,916	1,312,104	1,360,234	-1.13%	0.32%	1.50%	4.00%	0.75%	3.00%
15	4	571,284	575,472	594,136	-0.72%	0.73%	1.50%	4.00%	0.75%	3.00%
16	4	579,852	588,612	603,046	0.06%	1.51%	1.50%	4.00%	0.75%	3.00%
17	3	444,744	444,744	462,534	-1.45%	0.00%	1.50%	4.00%	0.75%	3.00%
18	4	581,916	592,764	605,192	0.41%	1.86%	1.50%	4.00%	0.75%	3.00%
19	6	881,140	880,500	916,385	-1.52%	-0.07%	1.50%	4.00%	0.75%	3.00%
20	4	579,624	579,624	602,810	-1.45%	0.00%	1.50%	4.00%	0.75%	3.00%
21	2	283,548	287,736	294,890	0.03%	1.48%	1.50%	4.00%	0.75%	3.00%
22	1	143,868	143,868	149,623	-1.45%	0.00%	1.50%	4.00%	0.75%	3.00%
23	3	423,894	431,604	440,850	0.37%	1.82%	1.50%	4.00%	0.75%	3.00%
24	4	569,448	575,472	592,226	-0.39%	1.06%	1.50%	4.00%	0.75%	3.00%
25	3	431,604	431,604	448,869	-1.45%	0.00%	1.50%	4.00%	0.75%	3.00%
26	1	143,868	143,868	149,623	-1.45%	0.00%	1.50%	4.00%	0.75%	3.00%
27	1	139,680	143,868	145,267	1.55%	3.00%	1.50%	4.00%	0.75%	3.00%
28	2	287,736	287,736	299,246	-1.45%	0.00%	1.50%	4.00%	0.75%	3.00%
29	3	431,448	435,756	448,706	-0.45%	1.00%	1.50%	4.00%	0.75%	3.00%
30 +	5	710,928	723,492	739,365	0.32%	1.77%	1.50%	4.00%	0.75%	3.00%
Total	**138**	**$ 19,858,245**	**$ 20,071,817**	**$ 20,652,584**	**-0.38%**	**1.08%**	**1.50%**	**4.00%**	**0.75%**	**3.00%**

[1]Total increase less average inflation of 1.45% over experience study period.
[2] Total increase less average assumed inflation of 2.50%.
[3]Total increase less proposed assumed inflation of 2.25%.

Salary Increase Assumption

Graph I(d)



Real increases are equal to total increases less inflation of 1.45% for actual rates, 2.50% for assumed rates and 2.25% for proposed rates.

Salary Increase Assumption

Highway Patrol – Service-Based

Table I(e)

Year	Actual Payroll Prior Year	Actual Payroll Current Year	Expected Current Year	Actual Real Increase[1]	Actual Total Increase
1 Year of Service at Assumed Pay Increase					
2014-2015	114,914	264,930	132,151	129.10%	130.55%
2015-2016	345,424	480,356	397,243	37.61%	39.06%
2016-2017	-	-	-		
2017-2018	-	-	-		
2018-2019	116,028	122,936	133,432	4.50%	5.95%
Total	576,366	868,222	662,826	49.19%	50.64%
Total 2016-2019	116,028	122,936	133,432	4.50%	5.95%
2 Years of Service at Assumed Pay Increase					
2014-2015	217,919	380,017	239,709	72.93%	74.38%
2015-2016	946,635	1,102,198	1,041,301	14.98%	16.43%
2016-2017	485,558	518,036	534,111	5.24%	6.69%
2017-2018	-	-	-		
2018-2019	310,966	335,008	342,061	6.28%	7.73%
Total	1,961,078	2,335,259	2,157,182	17.63%	19.08%
Total 2016-2019	796,524	853,044	876,172	5.64%	7.10%
3 Years of Service at Assumed Pay Increase					
2014-2015	279,001	328,950	301,322	16.45%	17.90%
2015-2016	387,541	451,701	418,545	15.10%	16.56%
2016-2017	1,045,774	1,103,356	1,129,438	4.06%	5.51%
2017-2018	407,324	420,206	439,910	1.71%	3.16%
2018-2019	-	-	-		
Total	2,119,640	2,304,213	2,289,215	7.26%	8.71%
Total 2016-2019	1,453,098	1,523,562	1,569,348	3.40%	4.85%

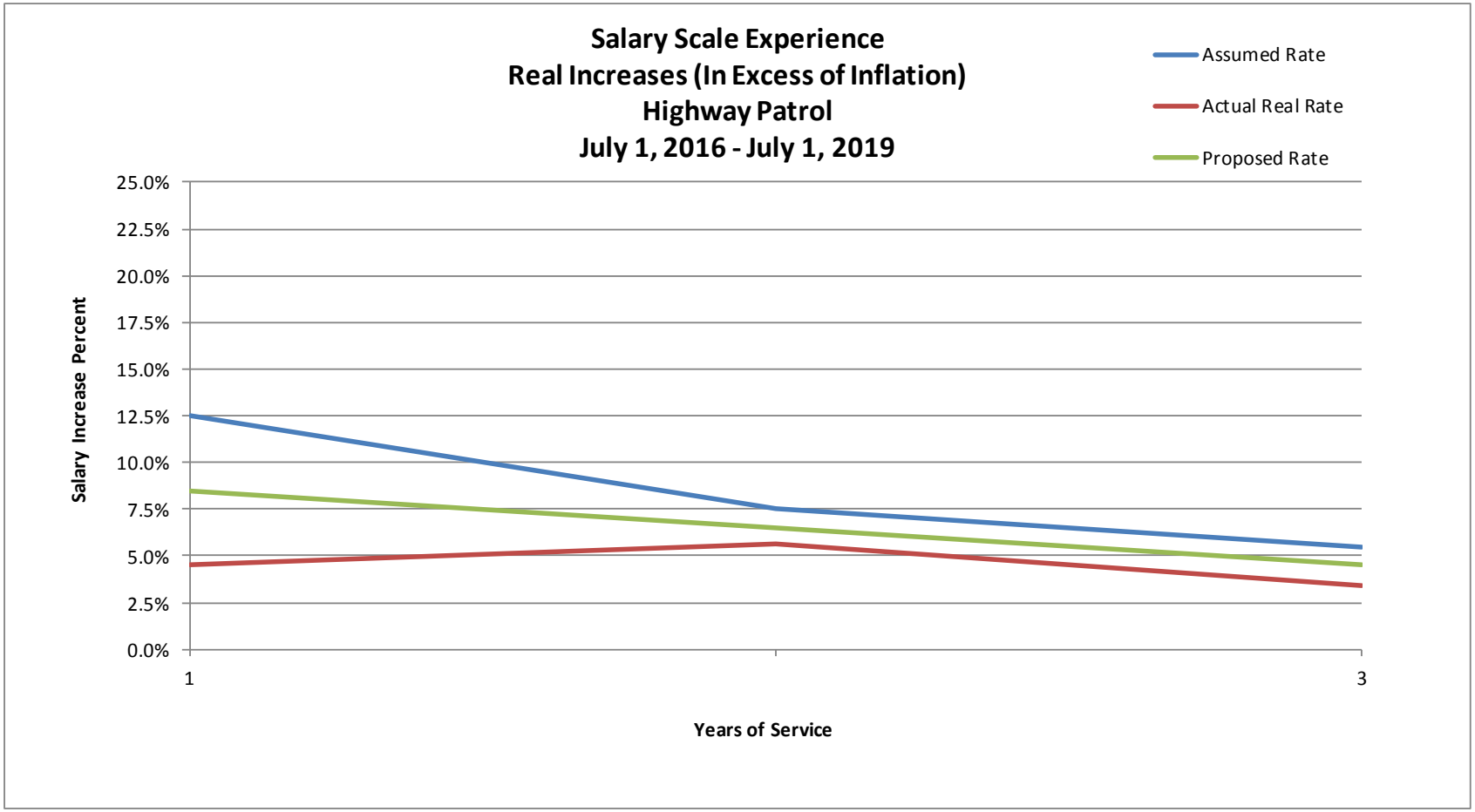
Summary based on 2016-2019 Experience

Service at Assumed Pay Increase	Number	Actual Payroll Prior Year	Actual Payroll Current Year	Expected Current Year	Actual Real Increase[1]	Actual Total Increase	Expected Real Increase[2]	Expected Total Increase	Proposed Real Increase[3]	Proposed Total Increase
1	2	$ 116,028	$ 122,936	$ 133,432	4.50%	5.95%	12.50%	15.00%	8.50%	10.75%
2	15	796,524	853,044	876,172	5.64%	7.10%	7.50%	10.00%	6.50%	8.75%
3	26	1,453,098	1,523,562	1,569,348	3.40%	4.85%	5.50%	8.00%	4.50%	6.75%
Total	**43**	**$ 2,365,650**	**$ 2,499,542**	**$ 2,578,952**	**4.21%**	**5.66%**	**6.52%**	**9.02%**	**5.37%**	**7.62%**

[1]*Total increase less average inflation of 1.45% over 2019 experience study period.*
[2]*Total increase less average assumed inflation of 2.50%.*
[3]*Total increase will equal the real increase plus the proposed inflation assumption.*

Salary Increase Assumption

Graph I(e)



Real increases are equal to total increases less inflation of 1.45% for actual rates, 2.50% for assumed rates and 2.25% for proposed rates.

Salary Increase Assumption

Highway Patrol – Age-Based

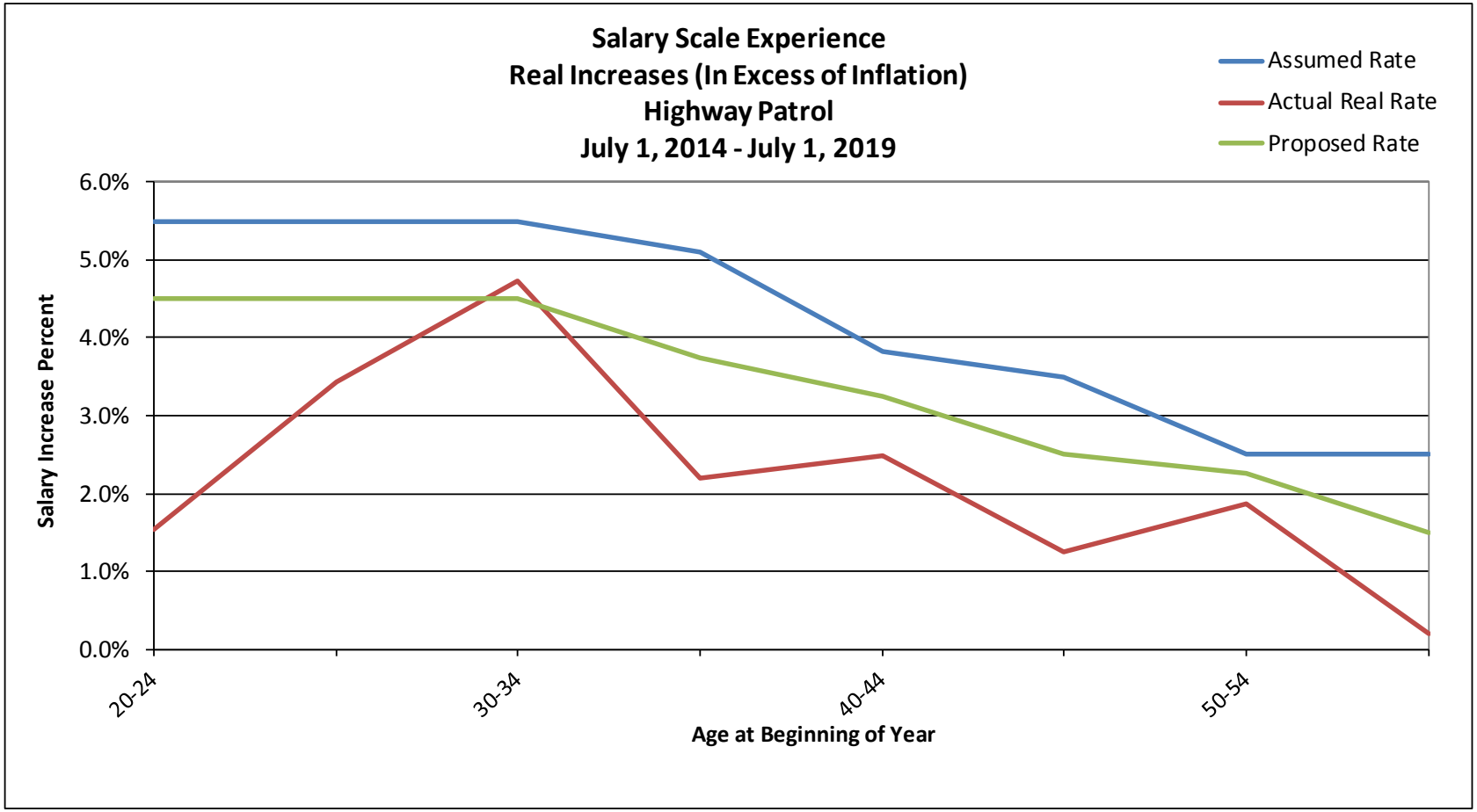
Table II(e)

Age at Beginning of Year	Number	Actual Payroll		Expected Current Year	Actual Real Increase[1]	Actual Total Increase	Expected Real Increase[2]	Expected Total Increase	Proposed Real Increase[3]	Proposed Total Increase
		Prior Year	Current Year							
20-24	2	$ 114,562	$ 117,984	$ 123,727	1.54%	2.99%	5.50%	8.00%	4.50%	6.75%
25-29	84	4,836,251	5,072,958	5,223,152	3.44%	4.89%	5.50%	8.00%	4.50%	6.75%
30-34	150	9,457,542	10,042,307	10,214,136	4.73%	6.18%	5.50%	8.00%	4.50%	6.75%
35-39	135	9,487,136	9,833,883	10,208,027	2.20%	3.65%	5.10%	7.60%	3.75%	6.00%
40-44	119	8,820,931	9,167,660	9,378,208	2.48%	3.93%	3.82%	6.32%	3.25%	5.50%
45-49	107	8,182,195	8,403,338	8,673,131	1.25%	2.70%	3.50%	6.00%	2.50%	4.75%
50-54	26	1,951,278	2,016,211	2,048,842	1.88%	3.33%	2.50%	5.00%	2.25%	4.50%
55-59	3	234,756	238,620	246,494	0.20%	1.65%	2.50%	5.00%	1.50%	3.75%
Total	**626**	**$ 43,084,651**	**$ 44,892,961**	**$ 46,115,717**	**2.75%**	**4.20%**	**4.54%**	**7.04%**	**3.58%**	**5.83%**

[1]*Total increase less average inflation of 1.45% over experience study period.*
[2] *Total increase less average assumed inflation of 2.50%.*
[3]*Total increase less proposed assumed inflation of 2.25%.*

Salary Increase Assumption

Graph II(e)



Real increases are equal to total increases less inflation of 1.45% for actual rates, 2.50% for assumed rates and 2.25% for proposed rates.

Salary Increase Assumption

Following is a summary of the current salary increase assumptions:

Service At Beginning of Year	Main System				
	State Employee	Non-State Employee	Public Safety	Judges	Highway Patrol
0	12.00%	15.00%	20.00%		15.00%
1	9.50%	10.00%	20.00%		10.00%
2	7.25%	8.00%	20.00%		8.00%
3			10.00%		
4			10.00%		
Age*					
Under 30	7.25%	10.00%	7.25%	4.00%	8.00%
30-34	6.50%	7.50%	6.50%	4.00%	8.00%
35-39	6.50%	7.50%	6.50%	4.00%	7.60%
40-44	6.25%	6.75%	6.25%	4.00%	6.32%
45-49	6.25%	6.75%	6.25%	4.00%	6.00%
50-54	5.75%	6.50%	5.75%	4.00%	5.00%
55-59	5.75%	6.50%	5.75%	4.00%	5.00%
60+	5.00%	5.25%	5.00%	4.00%	5.00%

Following is a summary of the recommended salary increase assumptions:

Service At Beginning of Year	Main System				
	State Employee	Non-State Employee	Public Safety	Judges	Highway Patrol
0	10.75%	13.25%	17.75%		10.75%
1	7.50%	8.00%	15.00%		8.75%
2	5.75%	7.25%	12.75%		6.75%
3			7.25%		
4			7.25%		
Age*					
Under 30	5.75%	7.25%	6.75%	3.00%	6.75%
30-34	5.75%	6.75%	6.75%	3.00%	6.75%
35-39	5.75%	6.75%	6.25%	3.00%	6.00%
40-44	5.25%	6.25%	6.25%	3.00%	5.50%
45-49	5.25%	6.25%	5.25%	3.00%	4.75%
50-54	4.75%	5.75%	5.25%	3.00%	4.50%
55-59	4.50%	5.50%	5.25%	3.00%	3.75%
60-64	4.00%	4.75%	5.25%	3.00%	3.75%
65-69	4.00%	4.75%	4.50%	3.00%	3.75%
70+	3.50%	4.50%	4.25%	3.00%	3.75%

Demographic Assumptions

Background

The following pages present the analysis of the demographic assumptions. These assumptions include assumed rates of mortality among active and retired members, retirement patterns, disability incidence and turnover patterns. These patterns generally take the form of tables of rates of incidence based on age and/or years of service.

Absent any significant changes in benefit provisions, these assumptions generally exhibit relative consistency over periods of time. As a result, each demographic assumption is normally reviewed by relating actual experience to that assumed over the recent past.

Actuarial Standard of Practice No. 35 – Selection of Demographic and Other Noneconomic Assumptions for Measuring Pension Obligations

ASOP 35 applies to actuaries when they are selecting demographic and all other assumptions not covered by ASOP No. 27, Selection of Economic Assumptions for Measuring Pension Obligations, to measure obligations under any defined benefit pension plan that is not a social insurance program as described in section 1.2, Scope, of ASOP No. 32, Social Insurance.

In accordance with ASOP 35, the actuary should identify the types of demographic assumptions to use for a specific measurement. In doing so, the actuary should determine the following:

(a) The purpose and nature of the measurement;
(b) The plan provisions or benefits and factors that will affect the timing and value of any potential benefit payments;
(c) The characteristics of the obligation to be measured (such as measurement period, pattern of plan payments over time, open or closed group and volatility);
(d) The contingencies that give rise to benefits or result in loss of benefits;
(e) The significance of each assumption; and
(f) The characteristics of the covered group.

Not every contingency requires a separate assumption. For example, for a plan that is expected to provide benefits of equal value to employees who voluntarily terminate employment or become disabled, retire or die, the actuary may use an assumption that reflects some or all of the above contingencies in combination rather than selecting a separate assumption for each.

Analysis Approach

Our analysis of demographic experience is conducted for each assumption using a measure known as the "Actual to Expected (A/E) Ratio." The A/E Ratio is simply the ratio of the actual number of occurrences of the event to which the assumption applies (e.g., deaths or retirements) to the number expected to occur in accordance with the actuarial assumption. An A/E Ratio of 1.00 indicates that the actuarial assumption precisely predicted the number of occurrences. An A/E Ratio exceeding 1.00 indicates that the actuarial assumption underestimated actual experience. Conversely, an A/E Ratio lower than 1.00 indicates that the actuarial assumption overestimated actual experience.

Demographic Assumptions

Demographic assumptions can be analyzed on a population-weighted, liability-weighted, or benefits-weighted basis. Although each basis was considered in our review, in this report, we present population-weighted information for all decrements other than mortality, which is presented on a benefits-weighted basis. For relatively homogeneous systems such as NDPERS, liability weighting generally does not have a significant impact.

These are statistical analyses. As a result, there are several considerations we must keep in mind as we analyze these ratios:

(1) An actuarial assumption is designed to reflect average experience over long periods of time (30 - 50 years). As a result:
   (a) A deviation between actual experience and that expected from our assumptions for one or two years does not necessarily mean that the assumption should be changed.
   (b) A change in actuarial assumption should result if the experience indicates a consistent pattern which is different from that assumed over a period of years.

(2) The larger the amount of data available, the more reliable the statistics used in the analysis. As a result:
   (a) Events that occur with great frequency (e.g., general employment turnover) are more credibly predictable than those occurring less frequently (e.g., active member death).
   (b) In all cases, data covering the entire study period produce more credible results than data for a single year.
   (c) Year by year experience is helpful only in identifying trends and determining whether the five-year data is truly reflective of the entire period.

This analysis is based on the actuarial valuation data for the five-year period from July 1, 2014 to July 1, 2019.

Retirement

The plan provisions establish the minimum eligibility requirements for retirement. Following is a summary of the retirement eligibility conditions by Plan:

Main System	Retirement Eligibility Conditions
Normal Retirement	Age 65 or Rule of 85
Normal Retirement enrolled after December 31, 2015	Age 65 or Age 60 with Rule of 90
Early Retirement	Age 55 with 3 years of service
Early Retirement enrolled after December 31, 2015	Age 60 with 3 years of service
Public Safety	**Retirement Eligibility Conditions**
Normal Retirement	Age 55 with 3 consecutive years of service or Rule of 85
Early Retirement	Age 50 with 3 years of service
Judges	**Retirement Eligibility Conditions**
Normal Retirement	Age 65 or Rule of 85
Early Retirement	Age 55 with 5 years of service
Highway Patrol	**Retirement Eligibility Conditions**
Normal Retirement	Age 55 with 10 years of service or Rule of 80
Early Retirement	Age 50 with 10 years of service

Retirement cost, however, is determined not by the minimum eligibility requirements, but by the ages at which members actually retire. The actuarial valuation does not assume that everyone retires at earliest eligibility. The actuarial assumption about the timing of retirement, once eligibility has been established, is a major component in cost calculations. Note that higher rates of retirement at earlier retirement ages or years of service generally result in higher actuarially determined contributions, and vice versa.

Experience during the last five years was considered in the analysis shown below and on the following pages. The "Exposure" column shows the number of employees eligible to retire at various years of service or ages throughout the experience period. An individual could potentially be counted up to five times if eligible each year in the period. By tabulating employees in this fashion we are able to answer the question "For all employees eligible at condition X, how many retired?"

Retirement Experience – From Active Status

Current experience has shown that retirement rates under this System are correlated with age and if members have met the Rule of 85/80 (correlated with having more service). Currently, the System uses age-based rates. We recommend separate rates based on whether a member meets the Rule of 85/80.

Tables I(a) to I(e) and Graphs I(a) to I(e) compare actual retirement experience, current assumptions and recommended assumptions by years of service for each of the following:

Group	Retirement Experience Table	Retirement Experience Graph
Main System Normal Retirement	II(a)	II(a)
Main System Early Retirement	II(b)	II(b)
Public Safety	II(c)	II(c)
Judges	II(d)	II(d)
Highway Patrol	II(e)	II(e)

Retirement Assumption

Main System – Normal (Unreduced) Retirement

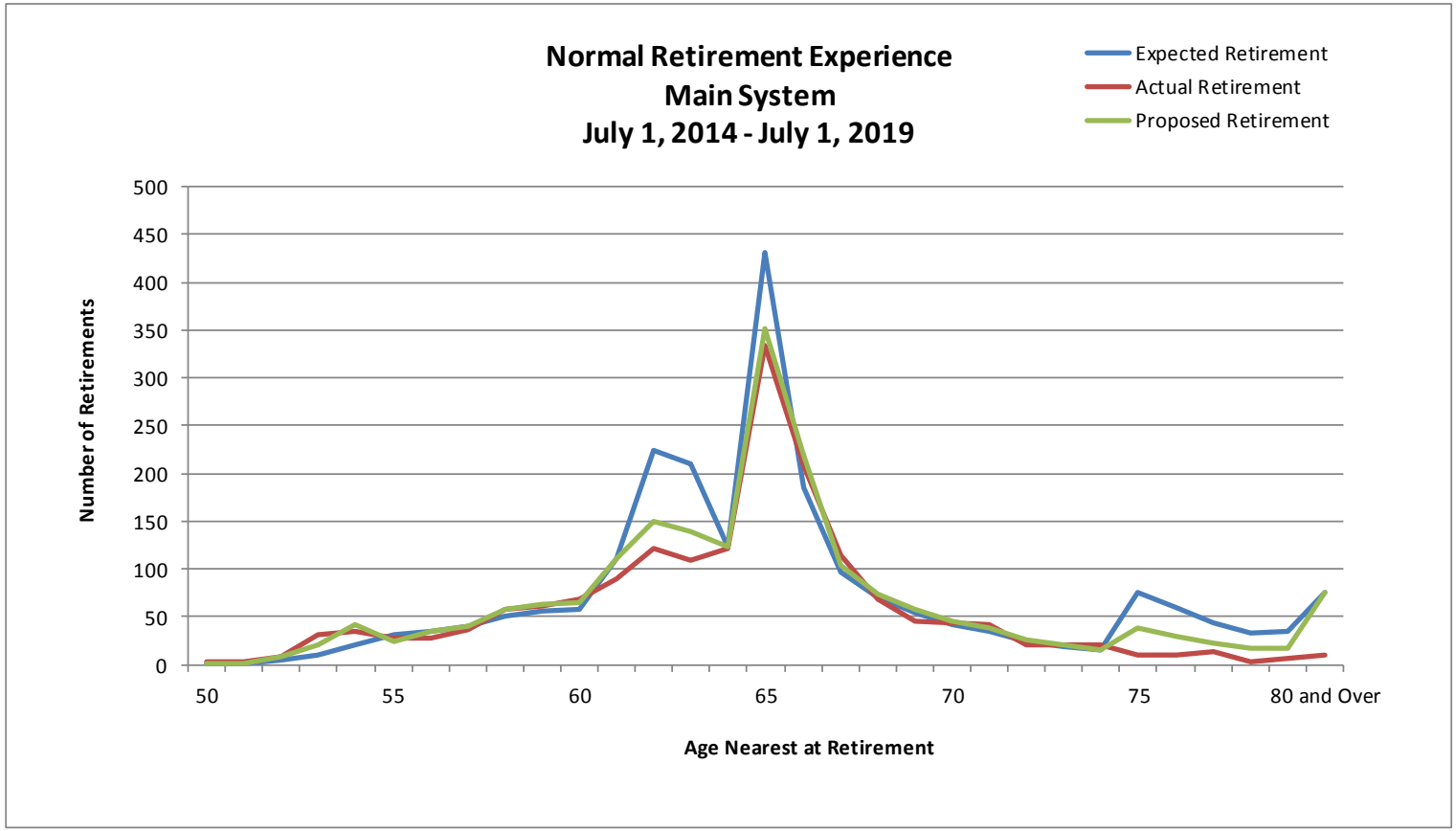
Table II (a)

Normal (Unreduced) Retirement Experience																		
	Actual Experience						Current Assumptions					Proposed Assumptions						
Age @ Retirement	Exposures		Retirements		Actual Rate		Expected Retirements		Assumed Rate	Actual / Expected		Expected Retirements		Assumed Rate		Actual / Expected		
	Rule of 85	Not Rule of 85	Rule of 85	Not Rule of 85	Rule of 85	Not Rule of 85	Rule of 85	Not Rule of 85		Rule of 85	Not Rule of 85	Rule of 85	Not Rule of 85	Rule of 85	Not Rule of 85	Rule of 85	Not Rule of 85
50	2.0		3.0		150%		0.6		30%	5.0		1.0		50%		3.0	
51	8.0		3.0		38%		0.8		10%	3.8		1.6		20%		1.9	
52	40.0		9.0		23%		4.0		10%	2.3		8.0		20%		1.1	
53	105.0		31.0		30%		10.5		10%	3.0		21.0		20%		1.5	
54	207.0		35.0		17%		20.7		10%	1.7		41.4		20%		0.8	
55	313.0		27.0		9%		31.3		10%	0.9		25.0		8%		1.1	
56	428.0		28.0		7%		34.2		8%	0.8		34.2		8%		0.8	
57	508.0		36.0		7%		40.6		8%	0.9		40.6		8%		0.9	
58	633.0		57.0		9%		50.6		8%	1.1		57.0		9%		1.0	
59	699.0		62.0		9%		55.9		8%	1.1		62.9		9%		1.0	
60	729.0		68.0		9%		58.3		8%	1.2		65.6		9%		1.0	
61	739.0		89.0		12%		110.9		15%	0.8		110.9		15%		0.8	
62	749.0		122.0		16%		224.7		30%	0.5		149.8		20%		0.8	
63	699.0		109.0		16%		209.7		30%	0.5		139.8		20%		0.8	
64	620.0		122.0		20%		124.0		20%	1.0		124.0		20%		1.0	
65	430.0	1,009.0	154.0	179.0	36%	18%	129.0	302.7	30%	1.2	0.6	150.5	201.8	35%	20%	1.0	0.9
66	221.0	709.0	84.0	124.0	38%	17%	44.2	141.8	20%	1.9	0.9	77.4	141.8	35%	20%	1.1	0.9
67	121.0	529.0	22.0	92.0	18%	17%	18.2	79.4	15%	1.2	1.2	24.2	79.4	20%	15%	0.9	1.2
68	85.0	380.0	13.0	55.0	15%	14%	12.8	57.0	15%	1.0	1.0	17.0	57.0	20%	15%	0.8	1.0
69	69.0	290.0	10.0	35.0	14%	12%	10.4	43.5	15%	1.0	0.8	13.8	43.5	20%	15%	0.7	0.8
70	59.0	222.0	10.0	33.0	17%	15%	8.9	33.3	15%	1.1	1.0	11.8	33.3	20%	15%	0.8	1.0
71	45.0	191.0	11.0	31.0	24%	16%	6.8	28.7	15%	1.6	1.1	9.0	28.7	20%	15%	1.2	1.1
72	24.0	137.0	4.0	16.0	17%	12%	3.6	20.6	15%	1.1	0.8	4.8	20.6	20%	15%	0.8	0.8
73	17.0	112.0	4.0	17.0	24%	15%	2.6	16.8	15%	1.6	1.0	3.4	16.8	20%	15%	1.2	1.0
74	10.0	88.0	2.0	18.0	20%	20%	1.5	13.2	15%	1.3	1.4	2.0	13.2	20%	15%	1.0	1.4
75	6.0	69.0	1.0	9.0	17%	13%	6.0	69.0	100%	0.2	0.1	3.0	34.5	50%	50%	0.3	0.3
76	5.0	55.0	0.0	10.0	0%	18%	5.0	55.0	100%	0.0	0.2	2.5	27.5	50%	50%	0.0	0.4
77	2.0	42.0	0.0	13.0	0%	31%	2.0	42.0	100%	0.0	0.3	1.0	21.0	50%	50%	0.0	0.6
78	2.0	31.0	0.0	3.0	0%	10%	2.0	31.0	100%	0.0	0.1	1.0	15.5	50%	50%	0.0	0.2
79	4.0	30.0	1.0	5.0	25%	17%	4.0	30.0	100%	0.3	0.2	2.0	15.0	50%	50%	0.5	0.3
80 and Over	3.0	72.0	1.0	9.0	33%	13%	3.0	72.0	100%	0.3	0.1	3.0	72.0	100%	100%	0.3	0.1
Totals:	**7,582.0**	**3,966.0**	**1,118.0**	**649.0**	**15%**	**16%**	**1,236.6**	**1,035.9**	**16%**	**0.9**	**0.6**	**1,209.2**	**821.5**	**16%**	**21%**	**0.9**	**0.8**
Excluding 75 and Over	**7,560.0**	**3,667.0**	**1,115.0**	**600.0**	**15%**	**16%**	**1,214.6**	**736.9**	**16%**	**0.9**	**0.8**	**1,196.7**	**636.0**	**16%**	**17%**	**0.9**	**0.9**

The proposed rates assume a 50% rate from age 75-79 and 100% at age 80.
Excludes members hired after December 31, 2015 with later retirement eligibility conditions.

Retirement Assumption

Graph II (a)



Retirement Assumption

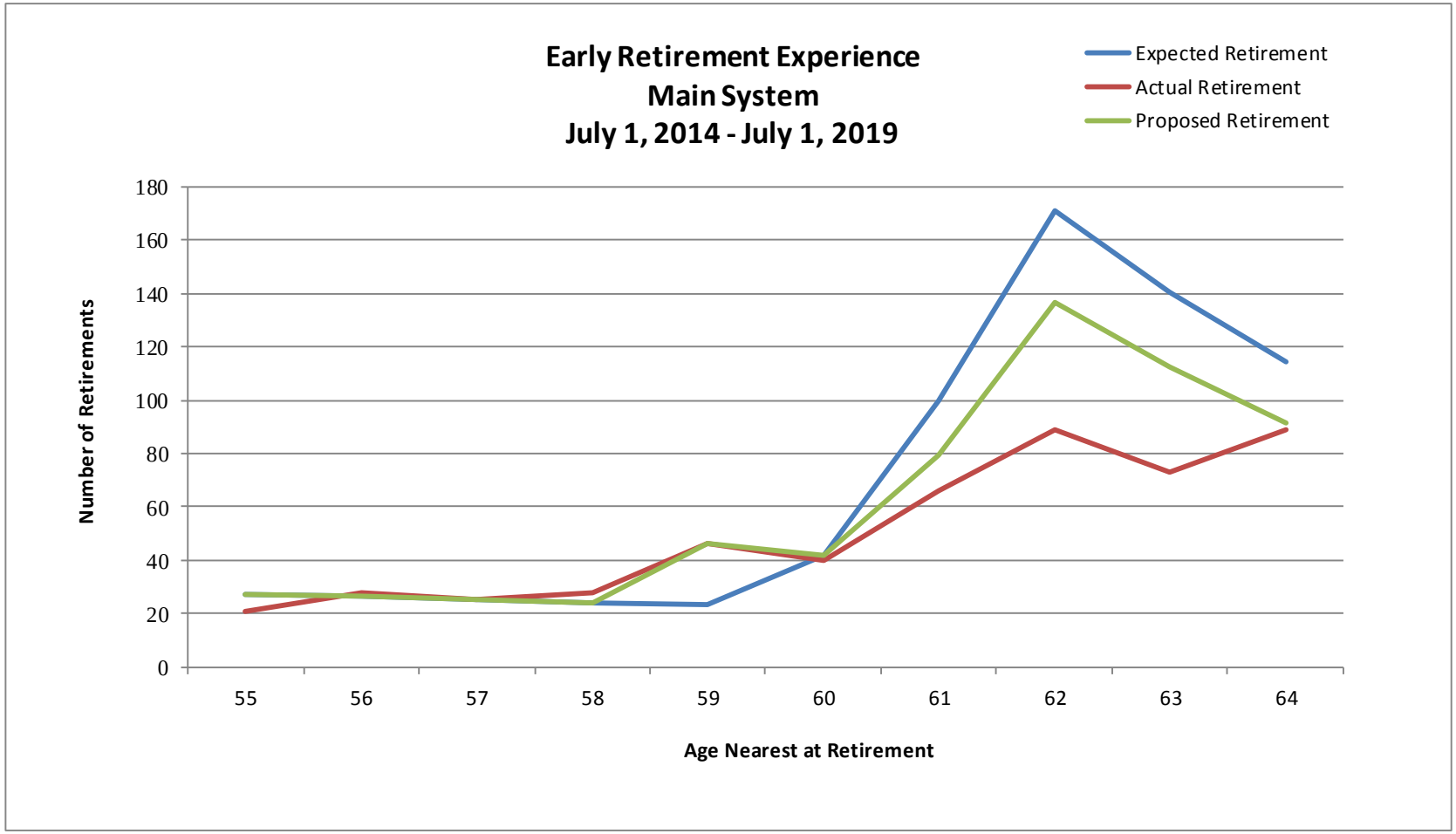
Main System – Early (Reduced) Retirement **Table II (b)**

Early (Reduced) Retirement Experience									
	Actual Experience			Current Assumptions			Proposed Assumptions		
Age @ Retirement	Exposures	Retirements	Actual Rate	Expected Retirements	Assumed Rate	Actual / Expected	Expected Retirements	Assumed Rate	Actual / Expected
55	2,745.0	21.0	0.8%	27.5	1%	0.8	27.5	1%	0.8
56	2,673.0	28.0	1.0%	26.7	1%	1.0	26.7	1%	1.0
57	2,536.0	25.0	1.0%	25.4	1%	1.0	25.4	1%	1.0
58	2,405.0	28.0	1.2%	24.1	1%	1.2	24.1	1%	1.2
59	2,310.0	46.0	2.0%	23.1	1%	2.0	46.2	2%	1.0
60	2,086.0	40.0	1.9%	41.7	2%	1.0	41.7	2%	1.0
61	1,991.0	66.0	3.3%	99.6	5%	0.7	79.6	4%	0.8
62	1,708.0	89.0	5.2%	170.8	10%	0.5	136.6	8%	0.7
63	1,408.0	73.0	5.2%	140.8	10%	0.5	112.6	8%	0.6
64	1,142.0	89.0	7.8%	114.2	10%	0.8	91.4	8%	1.0
Totals:	**21,004.0**	**505.0**	**2.4%**	**693.8**	**3%**	**0.7**	**611.8**	**3%**	**0.8**

Excludes members hired after December 31, 2015 with later retirement eligibility conditions.

Retirement Assumption

Graph II (b)



Retirement Assumption

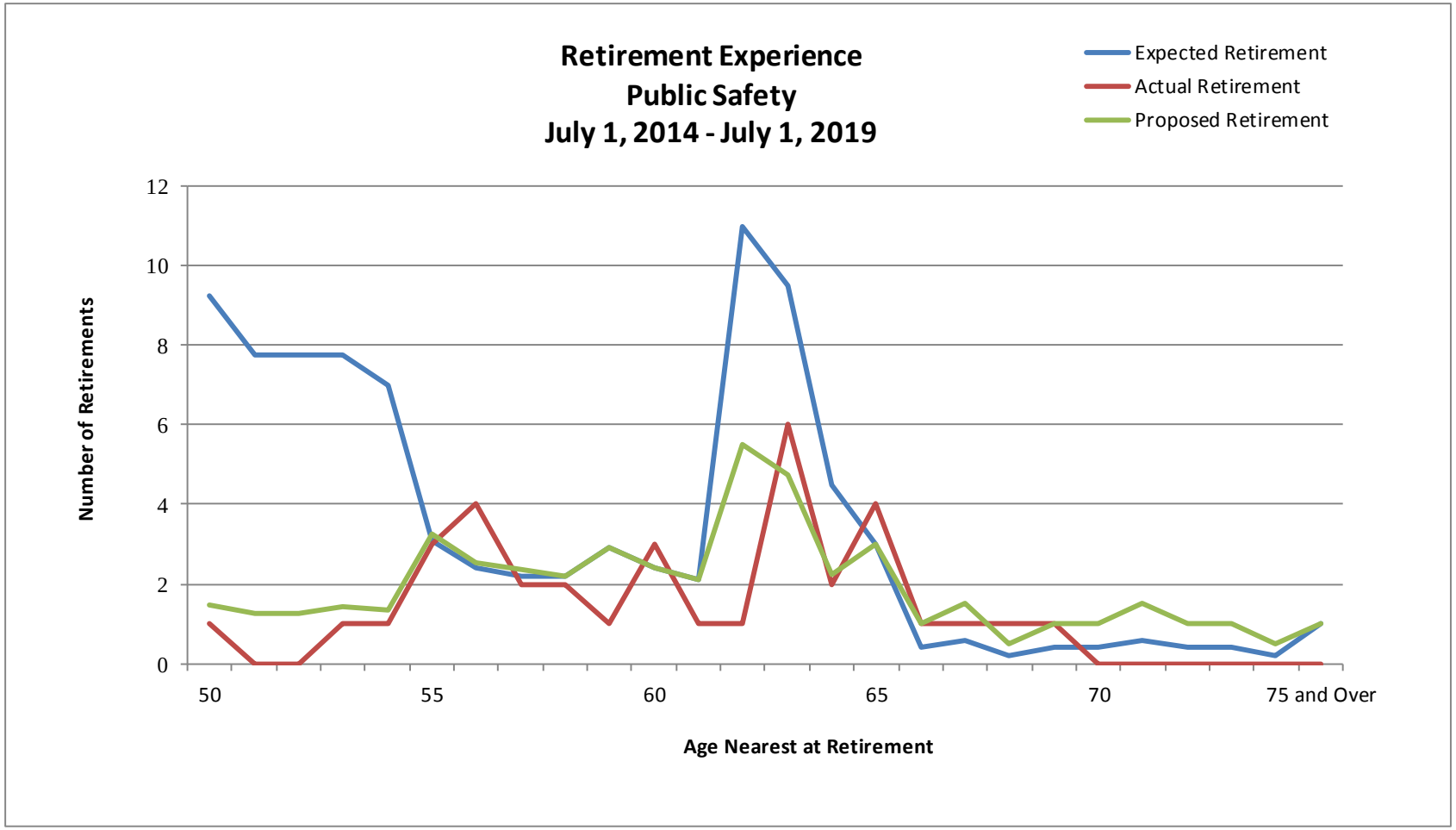
Public Safety – Reduced and Unreduced Retirement

Table II (c)

Retirement Experience																		
	Actual Experience						Current Assumptions					Proposed Assumptions						
Age @ Retirement	Exposures		Retirements		Actual Rate		Expected Retirements		Assumed Rate	Actual / Expected		Expected Retirements		Assumed Rate		Actual / Expected		
	Rule of 85	Not Rule of 85	Rule of 85	Not Rule of 85	Rule of 85	Not Rule of 85	Rule of 85	Not Rule of 85		Rule of 85	Not Rule of 85	Rule of 85	Not Rule of 85	Rule of 85	Not Rule of 85	Rule of 85	Not Rule of 85
50	0.0	37.0	0.0	1.0		3%		9.3	25%		0.1	0.0	1.5	25%	4%		0.7
51	0.0	31.0	0.0	0.0		0%		7.8	25%		0.0	0.0	1.2	25%	4%		0.0
52	0.0	31.0	0.0	0.0		0%		7.8	25%		0.0	0.0	1.2	25%	4%		0.0
53	1.0	30.0	0.0	1.0	0%	3%	0.3	7.5	25%	0.0	0.1	0.3	1.2	25%	4%	0.0	0.8
54	1.0	27.0	0.0	1.0	0%	4%	0.3	6.8	25%	0.0	0.1	0.3	1.1	25%	4%	0.0	0.9
55	1.0	30.0	0.0	3.0	0%	10%	0.1	3.0	10%	0.0	1.0	0.3	3.0	25%	10%	0.0	1.0
56	1.0	23.0	0.0	4.0	0%	17%	0.1	2.3	10%	0.0	1.7	0.3	2.3	25%	10%	0.0	1.7
57	1.0	21.0	1.0	1.0	100%	5%	0.1	2.1	10%	10.0	0.5	0.3	2.1	25%	10%	4.0	0.5
58	0.0	22.0	0.0	2.0		9%		2.2	10%		0.9	0.0	2.2	25%	10%		0.9
59	0.0	29.0	0.0	1.0		3%		2.9	10%		0.3	0.0	2.9	25%	10%		0.3
60	0.0	24.0	0.0	3.0		13%		2.4	10%		1.3	0.0	2.4	25%	10%		1.3
61	0.0	21.0	0.0	1.0		5%		2.1	10%		0.5	0.0	2.1	25%	10%		0.5
62	0.0	22.0	0.0	1.0		5%		11.0	50%		0.1	0.0	5.5	50%	25%		0.2
63	0.0	19.0	0.0	6.0		32%		9.5	50%		0.6	0.0	4.8	50%	25%		1.3
64	0.0	9.0	0.0	2.0		22%		4.5	50%		0.4	0.0	2.3	50%	25%		0.9
65	0.0	6.0	0.0	4.0		67%		3.0	50%		1.3	0.0	3.0	50%	50%		1.3
66	0.0	2.0	0.0	1.0		50%		0.4	20%		2.5	0.0	1.0	50%	50%		1.0
67	0.0	3.0	0.0	1.0		33%		0.6	20%		1.7	0.0	1.5	50%	50%		0.7
68	0.0	1.0	0.0	1.0		100%		0.2	20%		5.0	0.0	0.5	50%	50%		2.0
69	0.0	2.0	0.0	1.0		50%		0.4	20%		2.5	0.0	1.0	50%	50%		1.0
70	0.0	2.0	0.0	0.0		0%		0.4	20%		0.0	0.0	1.0	100%	50%		0.0
71	0.0	3.0	0.0	0.0		0%		0.6	20%		0.0	0.0	1.5	100%	50%		0.0
72	0.0	2.0	0.0	0.0		0%		0.4	20%		0.0	0.0	1.0	100%	50%		0.0
73	0.0	2.0	0.0	0.0		0%		0.4	20%		0.0	0.0	1.0	100%	50%		0.0
74	0.0	1.0	0.0	0.0		0%		0.2	20%		0.0	0.0	0.5	100%	50%		0.0
75 and Over	0.0	1.0	0.0	0.0		0%		1.0	100%		0.0	0.0	1.0	100%	100%		0.0
Totals:	**5.0**	**401.0**	**1.0**	**35.0**	**20%**	**9%**	**0.8**	**88.6**	**16%**	**1.3**	**0.4**	**1.3**	**48.7**	**25%**	**12%**	**0.8**	**0.7**
Excluding 75 and Over	**5.0**	**400.0**	**1.0**	**35.0**	**20%**	**9%**	**0.8**	**87.6**	**16%**	**1.3**	**0.4**	**1.3**	**47.7**	**25%**	**12%**	**0.8**	**0.7**

Retirement Assumption

Graph II (c)



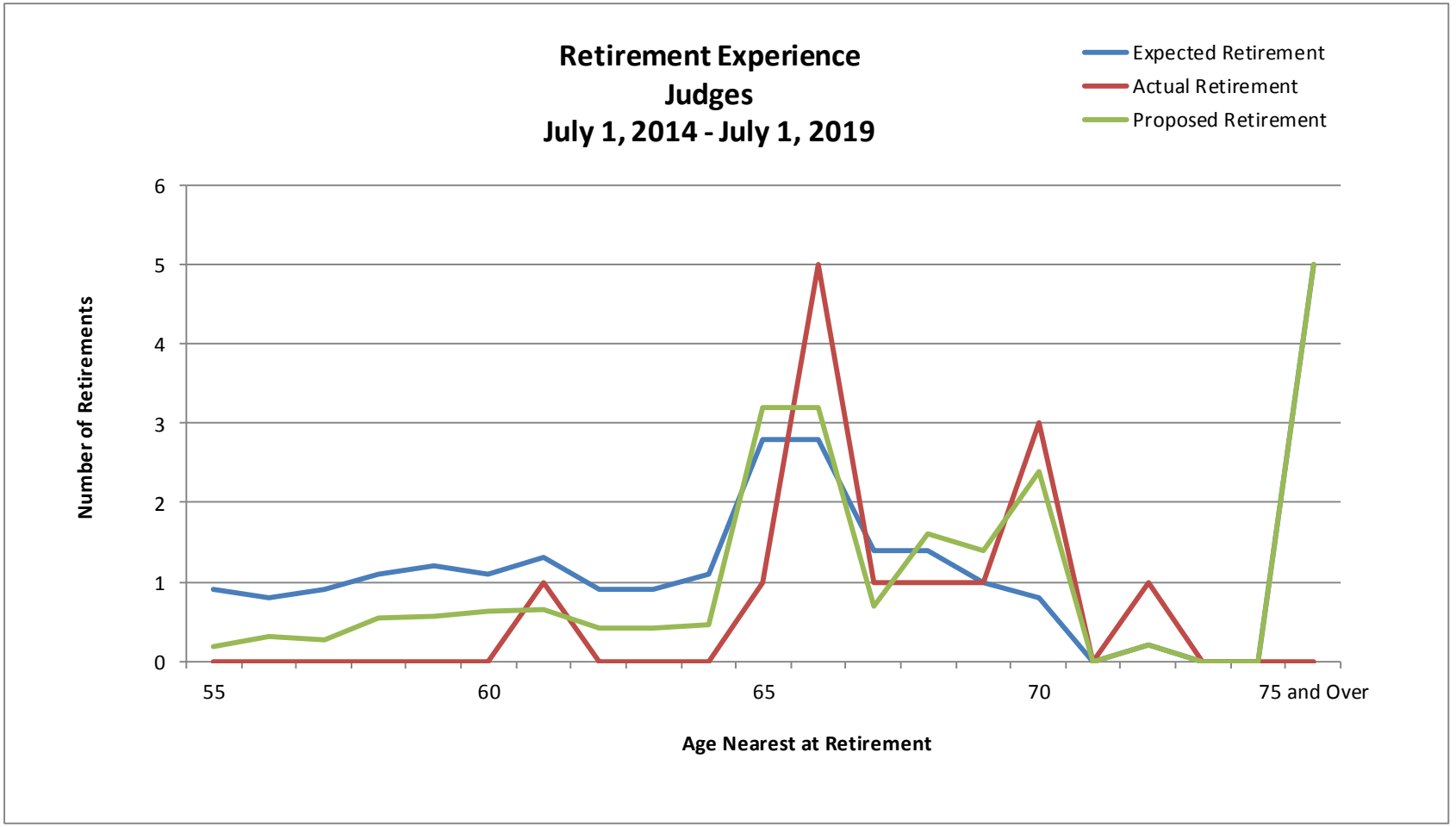
Retirement Assumption

Judges **Table II (d)**

Retirement Experience																	
	Actual Experience						Current Assumptions					Proposed Assumptions					
Age @ Retirement	Exposures		Retirements		Actual Rate		Expected Retirements		Assumed Rate	Actual / Expected		Expected Retirements		Assumed Rate		Actual / Expected	
	Rule of 85	Not Rule of 85	Rule of 85	Not Rule of 85	Rule of 85	Not Rule of 85	Rule of 85	Not Rule of 85		Rule of 85	Not Rule of 85	Rule of 85	Not Rule of 85	Rule of 85	Not Rule of 85	Rule of 85	Not Rule of 85
55	0.0	9.0	0.0	0.0		0%		0.9	10%		0.0	0.0	0.2	10%	2%		0.0
56	2.0	6.0	0.0	0.0	0%	0%	0.2	0.6	10%	0.0	0.0	0.2	0.1	10%	2%	0.0	0.0
57	1.0	8.0	0.0	0.0	0%	0%	0.1	0.8	10%	0.0	0.0	0.1	0.2	10%	2%	0.0	0.0
58	4.0	7.0	0.0	0.0	0%	0%	0.4	0.7	10%	0.0	0.0	0.4	0.1	10%	2%	0.0	0.0
59	4.0	8.0	0.0	0.0	0%	0%	0.4	0.8	10%	0.0	0.0	0.4	0.2	10%	2%	0.0	0.0
60	5.0	6.0	0.0	0.0	0%	0%	0.5	0.6	10%	0.0	0.0	0.5	0.1	10%	2%	0.0	0.0
61	5.0	8.0	1.0	0.0	20%	0%	0.5	0.8	10%	2.0	0.0	0.5	0.2	10%	2%	2.0	0.0
62	3.0	6.0	0.0	0.0	0%	0%	0.3	0.6	10%	0.0	0.0	0.3	0.1	10%	2%	0.0	0.0
63	3.0	6.0	0.0	0.0	0%	0%	0.3	0.6	10%	0.0	0.0	0.3	0.1	10%	2%	0.0	0.0
64	3.0	8.0	0.0	0.0	0%	0%	0.3	0.8	10%	0.0	0.0	0.3	0.2	10%	2%	0.0	0.0
65	2.0	12.0	1.0	0.0	50%	0%	0.4	2.4	20%	2.5	0.0	2.0	1.2	100%	10%	0.5	0.0
66	2.0	12.0	2.0	3.0	100%	25%	0.4	2.4	20%	5.0	1.3	2.0	1.2	100%	10%	1.0	2.5
67	0.0	7.0	0.0	1.0		14%		1.4	20%		0.7	0.0	0.7	100%	10%		1.4
68	1.0	6.0	0.0	1.0	0%	17%	0.2	1.2	20%	0.0	0.8	1.0	0.6	100%	10%	0.0	1.7
69	1.0	4.0	0.0	1.0	0%	25%	0.2	0.8	20%	0.0	1.3	1.0	0.4	100%	10%	0.0	2.5
70	2.0	2.0	2.0	1.0	100%	50%	0.4	0.4	20%	5.0	2.5	2.0	0.4	100%	20%	1.0	2.5
71	0.0	0.0	0.0	0.0					20%			0.0	0.0	100%	20%		
72	0.0	1.0	0.0	1.0		100%		0.2	20%		5.0	0.0	0.2	100%	20%		5.0
73	0.0	0.0	0.0	0.0					20%			0.0	0.0	100%	20%		
74	0.0	0.0	0.0	0.0					20%			0.0	0.0	100%	20%		
75 and Over	0.0	5.0	0.0	0.0		0%		5.0	100%		0.0	0.0	5.0	100%	100%		0.0
Totals:	**38.0**	**121.0**	**6.0**	**8.0**	**16%**	**7%**	**4.6**	**21.0**	**12%**	**1.3**	**0.4**	**11.0**	**11.1**	**29%**	**9%**	**0.5**	**0.7**
Excluding 75 and Over	**38.0**	**116.0**	**6.0**	**8.0**	**16%**	**7%**	**4.6**	**16.0**	**12%**	**1.3**	**0.5**	**11.0**	**6.1**	**29%**	**5%**	**0.5**	**1.3**

Retirement Assumption

Graph II (d)



Retirement Assumption

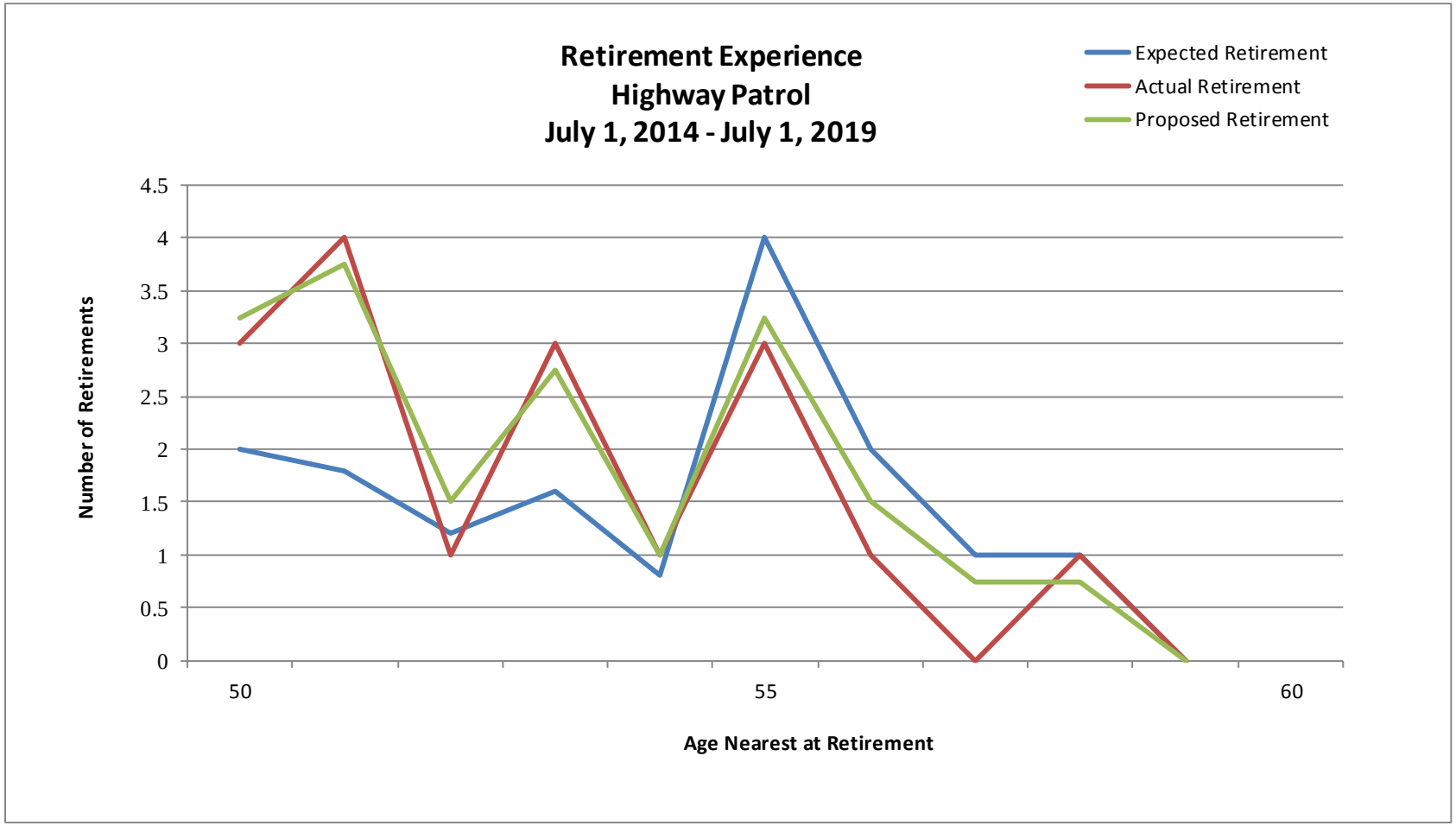
Highway Patrol

Table II (e)

Retirement Experience																	
	Actual Experience						Current Assumptions					Proposed Assumptions					
Age @ Retirement	Exposures		Retirements		Actual Rate		Expected Retirements		Assumed Rate	Actual / Expected		Expected Retirements		Assumed Rate		Actual / Expected	
	Rule of 80	Not Rule of 80	Rule of 80	Not Rule of 80	Rule of 80	Not Rule of 80	Rule of 80	Not Rule of 80		Rule of 80	Not Rule of 80	Rule of 80	Not Rule of 80	Rule of 80	Not Rule of 80	Rule of 80	Not Rule of 80
50	1.0	9.0	1.0	2.0	100%	22.2%	0.2	1.8	20%	5.0	1.1	1.0	2.3	100%	25%	1.0	0.9
51	2.0	7.0	2.0	2.0	100%	28.6%	0.4	1.4	20%	5.0	1.4	2.0	1.8	100%	25%	1.0	1.1
52	0.0	6.0	0.0	1.0		16.7%		1.2	20%		0.8	0.0	1.5	100%	25%		0.7
53	1.0	7.0	1.0	2.0	100%	28.6%	0.2	1.4	20%	5.0	1.4	1.0	1.8	100%	25%	1.0	1.1
54	0.0	4.0	0.0	1.0		25.0%		0.8	20%		1.3	0.0	1.0	100%	25%		1.0
55	1.0	3.0	1.0	2.0	100%	66.7%	1.0	3.0	100%	1.0	0.7	1.0	2.3	100%	75%	1.0	0.9
56	0.0	2.0	0.0	1.0		50.0%		2.0	100%		0.5	0.0	1.5	100%	75%		0.7
57	0.0	1.0	0.0	0.0		0.0%		1.0	100%		0.0	0.0	0.8	100%	75%		0.0
58	0.0	1.0	0.0	1.0		100.0%		1.0	100%		1.0	0.0	0.8	100%	75%		1.3
59	0.0	0.0	0.0	0.0					100%			0.0	0.0	100%	75%		
60	0.0	0.0	0.0	0.0					100%			0.0	0.0	100%	100%		
Totals:	**5.0**	**40.0**	**5.0**	**12.0**	**100%**	**30.0%**	**1.8**	**13.6**	**34%**	**2.8**	**0.9**	**5.0**	**13.5**	**100%**	**34%**	**1.0**	**0.9**

Retirement Assumption

Graph II (e)



Retirement Assumption – Inactive Members

Retirement Experience – From Inactive Status

Terminated vested members are assumed to commence their benefits in accordance with the retirement rates that apply to active members. The following tables compare actual retirement experience, current assumptions and recommended assumptions by age of service for terminated vested members.

Retirement Assumption – Inactive Members

Main System – Normal (Unreduced) Retirement

Normal (Unreduced) Retirement Experience - Terminated Vested																
	Actual Experience						Current Assumptions					Proposed Assumptions				
Age @ Retirement	Exposures		Retirements		Actual Rate		Expected Retirements		Assumed Rate	Actual / Expected		Expected Retirements		Assumed Rate		Actual / Expected	
	Rule of 85	Not Rule of 85	Rule of 85	Not Rule of 85	Rule of 85	Not Rule of 85	Rule of 85	Not Rule of 85		Rule of 85	Not Rule of 85	Rule of 85	Not Rule of 85	Rule of 85	Not Rule of 85	Rule of 85	Not Rule of 85
50	1.0		1.0		100%		0.3		30%	3.3		0.7		70%		1.4	
51	2.0		2.0		100%		0.2		10%	10.0		1.4		70%		1.4	
52	2.0		2.0		100%		0.2		10%	10.0		1.4		70%		1.4	
53	8.0		6.0		75%		0.8		10%	7.5		5.6		70%		1.1	
54	9.0		9.0		100%		0.9		10%	10.0		6.3		70%		1.4	
55	23.0		14.0		61%		2.3		10%	6.1		16.1		70%		0.9	
56	28.0		14.0		50%		2.2		8%	6.3		19.6		70%		0.7	
57	41.0		26.0		63%		3.3		8%	7.9		28.7		70%		0.9	
58	58.0		35.0		60%		4.6		8%	7.5		40.6		70%		0.9	
59	42.0		24.0		57%		3.4		8%	7.1		29.4		70%		0.8	
60	61.0		36.0		59%		4.9		8%	7.4		42.7		70%		0.8	
61	73.0		47.0		64%		11.0		15%	4.3		51.1		70%		0.9	
62	97.0		61.0		63%		29.1		30%	2.1		67.9		70%		0.9	
63	100.0		77.0		77%		30.0		30%	2.6		70.0		70%		1.1	
64	113.0		80.0		71%		22.6		20%	3.5		79.1		70%		1.0	
65	122.0	634.0	93.0	233.0	76%	37%	36.6	190.2	30%	2.5	1.2	85.4	158.5	70%	25%	1.1	1.5
66	95.0	417.0	78.0	104.0	82%	25%	19.0	83.4	20%	4.1	1.2	66.5	104.3	70%	25%	1.2	1.0
67	65.0	314.0	48.0	61.0	74%	19%	9.8	47.1	15%	4.9	1.3	45.5	78.5	70%	25%	1.1	0.8
68	41.0	241.0	28.0	41.0	68%	17%	6.2	36.2	15%	4.6	1.1	28.7	60.3	70%	25%	1.0	0.7
69	35.0	190.0	20.0	19.0	57%	10%	5.3	28.5	15%	3.8	0.7	24.5	47.5	70%	25%	0.8	0.4
70	30.0	159.0	18.0	39.0	60%	25%	4.5	23.9	15%	4.0	1.6	21.0	39.8	70%	25%	0.9	1.0
71	20.0	78.0	17.0	12.0	85%	15%	3.0	11.7	15%	5.7	1.0	14.0	19.5	70%	25%	1.2	0.6
72	15.0	25.0	13.0	8.0	87%	32%	2.3	3.8	15%	5.8	2.1	10.5	6.3	70%	25%	1.2	1.3
73	8.0	8.0	6.0	2.0	75%	25%	1.2	1.2	15%	5.0	1.7	5.6	2.0	70%	25%	1.1	1.0
74	7.0	4.0	4.0	0.0	57%	0%	1.1	0.6	15%	3.8	0.0	4.9	1.0	70%	25%	0.8	0.0
75	9.0	8.0	8.0	2.0	89%	25%	9.0	8.0	100%	0.9	0.3	6.3	4.0	70%	50%	1.3	0.5
76	7.0	5.0	7.0	1.0	100%	20%	7.0	5.0	100%	1.0	0.2	4.9	2.5	70%	50%	1.4	0.4
77	2.0	4.0	2.0	1.0	100%	25%	2.0	4.0	100%	1.0	0.3	1.4	2.0	70%	50%	1.4	0.5
78	1.0	2.0	1.0	0.0	100%	0%	1.0	2.0	100%	1.0	0.0	0.7	1.0	70%	50%	1.4	0.0
79	1.0	3.0	1.0	1.0	100%	33%	1.0	3.0	100%	1.0	0.3	0.7	1.5	70%	50%	1.4	0.7
80 and Over	26.0	0.0	8.0	0.0	31%		26.0		100%	0.3		26.0	0.0	100%	100%	0.3	
Totals:	**1,142.0**	**2,092.0**	**786.0**	**524.0**	**69%**	**25%**	**250.5**	**448.5**	**22%**	**3.1**	**1.2**	**807.2**	**528.5**	**71%**	**25%**	**1.0**	**1.0**
Excluding 75 and Over	**1,096.0**	**2,070.0**	**759.0**	**519.0**	**69%**	**25%**	**204.5**	**426.5**	**19%**	**3.7**	**1.2**	**767.2**	**517.5**	**70%**	**25%**	**1.0**	**1.0**

Retirement Assumption – Inactive Members

Main System – Early (Reduced) Retirement

Early (Reduced) Retirement Experience - Terminated Vested									
	Actual Experience			Current Assumptions			Proposed Assumptions		
Age @ Retirement	Exposures	Retirements	Actual Rate	Expected Retirements	Assumed Rate	Actual / Expected	Expected Retirements	Assumed Rate	Actual / Expected
55	1,298.0	5.0	0.4%	13.0	1%	0.4	13.0	1%	0.4
56	1,353.0	6.0	0.4%	13.5	1%	0.4	13.5	1%	0.4
57	1,336.0	6.0	0.4%	13.4	1%	0.4	13.4	1%	0.4
58	1,347.0	14.0	1.0%	13.5	1%	1.0	13.5	1%	1.0
59	1,323.0	12.0	0.9%	13.2	1%	0.9	26.5	2%	0.5
60	1,294.0	35.0	2.7%	25.9	2%	1.4	25.9	2%	1.4
61	1,237.0	33.0	2.7%	61.9	5%	0.5	49.5	4%	0.7
62	1,109.0	76.0	6.9%	110.9	10%	0.7	88.7	8%	0.9
63	1,012.0	49.0	4.8%	101.2	10%	0.5	81.0	8%	0.6
64	867.0	152.0	17.5%	86.7	10%	1.8	69.4	8%	2.2
Totals:	**12,176.0**	**388.0**	**3.2%**	**453.1**	**4%**	**0.9**	**394.2**	**3%**	**1.0**

Retirement Assumption – Inactive Members

Public Safety – Reduced and Unreduced Retirement

Retirement Experience - Terminated Vested																		
	Actual Experience						Current Assumptions					Proposed Assumptions						
Age @ Retirement	Exposures		Retirements		Actual Rate		Expected Retirements		Assumed Rate	Actual / Expected		Expected Retirements		Assumed Rate		Actual / Expected		
	Rule of 85	Not Rule of 85	Rule of 85	Not Rule of 85	Rule of 85	Not Rule of 85	Rule of 85	Not Rule of 85		Rule of 85	Not Rule of 85	Rule of 85	Not Rule of 85	Rule of 85	Not Rule of 85	Rule of 85	Not Rule of 85
50	0.0	16.0	0.0	0.0		0%		4.0	25%		0.0	0.0	1.6	25%	10%		0.0
51	1.0	21.0	0.0	2.0	0%	10%	0.3	5.3	25%	0.0	0.4	0.3	2.1	25%	10%	0.0	1.0
52	0.0	15.0	0.0	0.0		0%		3.8	25%		0.0	0.0	1.5	25%	10%		0.0
53	0.0	17.0	0.0	1.0		6%		4.3	25%		0.2	0.0	1.7	25%	10%		0.6
54	0.0	12.0	0.0	3.0		25%		3.0	25%		1.0	0.0	1.2	25%	10%		2.5
55	0.0	7.0	0.0	1.0		14%		0.7	10%		1.4	0.0	0.7	25%	10%		1.4
56	0.0	5.0	0.0	2.0		40%		0.5	10%		4.0	0.0	0.5	25%	10%		4.0
57	1.0	5.0	0.0	0.0	0%	0%	0.1	0.5	10%	0.0	0.0	0.3	0.5	25%	10%	0.0	0.0
58	1.0	4.0	0.0	0.0	0%	0%	0.1	0.4	10%	0.0	0.0	0.3	0.4	25%	10%	0.0	0.0
59	0.0	5.0	0.0	0.0		0%		0.5	10%		0.0	0.0	0.5	25%	10%		0.0
60	1.0	8.0	0.0	3.0	0%	38%	0.1	0.8	10%	0.0	3.8	0.3	2.0	25%	25%	0.0	1.5
61	0.0	9.0	0.0	1.0		11%		0.9	10%		1.1	0.0	2.3	25%	25%		0.4
62	0.0	7.0	0.0	2.0		29%		3.5	50%		0.6	0.0	1.8	50%	25%		1.1
63	0.0	4.0	0.0	1.0		25%		2.0	50%		0.5	0.0	1.0	50%	25%		1.0
64	0.0	4.0	0.0	2.0		50%		2.0	50%		1.0	0.0	1.0	50%	25%		2.0
65	0.0	2.0	0.0	1.0		50%		1.0	50%		1.0	0.0	1.0	50%	50%		1.0
66	0.0	2.0	0.0	0.0		0%		0.4	20%		0.0	0.0	1.0	50%	50%		0.0
67	0.0	2.0	0.0	0.0		0%		0.4	20%		0.0	0.0	1.0	50%	50%		0.0
68	0.0	1.0	0.0	0.0		0%		0.2	20%		0.0	0.0	0.5	50%	50%		0.0
69	0.0	1.0	0.0	0.0		0%		0.2	20%		0.0	0.0	0.5	50%	50%		0.0
70	0.0	2.0	0.0	1.0		50%		0.4	20%		2.5	0.0	1.0	100%	50%		1.0
71	0.0	0.0	0.0	0.0					20%			0.0	0.0	100%	50%		
72	0.0	0.0	0.0	0.0					20%			0.0	0.0	100%	50%		
73	0.0	0.0	0.0	0.0					20%			0.0	0.0	100%	50%		
74	0.0	0.0	0.0	0.0					20%			0.0	0.0	100%	50%		
75 and Over	0.0	0.0	0.0	0.0					100%			0.0	0.0	100%	100%		
Totals:	**4.0**	**149.0**	**0.0**	**20.0**	**0%**	**13%**	**0.6**	**34.7**	**14%**	**0.0**	**0.6**	**1.0**	**23.7**	**25%**	**16%**	**0.0**	**0.8**
Excluding 75 and Over	**4.0**	**149.0**	**0.0**	**20.0**	**0%**	**13%**	**0.6**	**34.7**	**14%**	**0.0**	**0.6**	**1.0**	**23.7**	**25%**	**16%**	**0.0**	**0.8**

Retirement Assumption – Inactive Members

Judges

Retirement Experience - Terminated Vested																		
	Actual Experience						Current Assumptions					Proposed Assumptions						
Age @ Retirement	Exposures		Retirements		Actual Rate		Expected Retirements		Assumed Rate	Actual / Expected		Expected Retirements		Assumed Rate		Actual / Expected		
	Rule of 85	Not Rule of 85	Rule of 85	Not Rule of 85	Rule of 85	Not Rule of 85	Rule of 85	Not Rule of 85		Rule of 85	Not Rule of 85	Rule of 85	Not Rule of 85	Rule of 85	Not Rule of 85	Rule of 85	Not Rule of 85
55	0.0	1.0	0.0	0.0		0%		0.1	10%		0.0	0.0	0.0	10%	2%		0.0
56	0.0	1.0	0.0	0.0		0%		0.1	10%		0.0	0.0	0.0	10%	2%		0.0
57	0.0	1.0	0.0	0.0		0%		0.1	10%		0.0	0.0	0.0	10%	2%		0.0
58	0.0	1.0	0.0	0.0		0%		0.1	10%		0.0	0.0	0.0	10%	2%		0.0
59	0.0	2.0	0.0	0.0		0%		0.2	10%		0.0	0.0	0.0	10%	2%		0.0
60	0.0	3.0	0.0	0.0		0%		0.3	10%		0.0	0.0	0.1	10%	2%		0.0
61	0.0	0.0	0.0	0.0					10%			0.0	0.0	10%	2%		
62	0.0	0.0	0.0	0.0					10%			0.0	0.0	10%	2%		
63	0.0	0.0	0.0	0.0					10%			0.0	0.0	10%	2%		
64	3.0	0.0	1.0	0.0	33%		0.3		10%	3.3		0.3	0.0	10%	2%	3.3	
65	4.0	0.0	1.0	0.0	25%		0.8		20%	1.3		4.0	0.0	100%	10%	0.3	
66	2.0	1.0	2.0	1.0	100%	100%	0.4	0.2	20%	5.0	5.0	2.0	0.1	100%	10%	1.0	10.0
67	0.0	0.0	0.0	0.0					20%			0.0	0.0	100%	10%		
68	0.0	0.0	0.0	0.0					20%			0.0	0.0	100%	10%		
69	0.0	0.0	0.0	0.0					20%			0.0	0.0	100%	10%		
70	0.0	0.0	0.0	0.0					20%			0.0	0.0	100%	20%		
71	0.0	0.0	0.0	0.0					20%			0.0	0.0	100%	20%		
72	1.0	0.0	1.0	0.0	100%		0.2		20%	5.0		1.0	0.0	100%	20%	1.0	
73	0.0	0.0	0.0	0.0					20%			0.0	0.0	100%	20%		
74	0.0	0.0	0.0	0.0					20%			0.0	0.0	100%	20%		
75 and Over	0.0	0.0	0.0	0.0					100%			0.0	0.0	100%	100%		
Totals:	**10.0**	**10.0**	**5.0**	**1.0**	**50%**	**10%**	**1.7**	**1.1**	**17%**	**2.9**	**0.9**	**7.3**	**0.3**	**73%**	**3%**	**0.7**	**3.6**
Excluding 75 and Over	**10.0**	**10.0**	**5.0**	**1.0**	**50%**	**10%**	**1.7**	**1.1**	**17%**	**2.9**	**0.9**	**7.3**	**0.3**	**73%**	**3%**	**0.7**	**3.6**

Retirement Assumption – Inactive Members

Highway Patrol

Retirement Experience - Terminated Vested																	
	Actual Experience						Current Assumptions					Proposed Assumptions					
Age @ Retirement	Exposures		Retirements		Actual Rate		Expected Retirements		Assumed Rate	Actual / Expected		Expected Retirements		Assumed Rate		Actual / Expected	
	Rule of 80	Not Rule of 80	Rule of 80	Not Rule of 80	Rule of 80	Not Rule of 80	Rule of 80	Not Rule of 80		Rule of 80	Not Rule of 80	Rule of 80	Not Rule of 80	Rule of 80	Not Rule of 80	Rule of 80	Not Rule of 80
50	2.0	5.0	2.0	0.0	100%	0.0%	0.4	1.0	20%	5.0	0.0	2.0	1.3	100%	25%	1.0	0.0
51	3.0	6.0	2.0	2.0	67%	33.3%	0.6	1.2	20%	3.3	1.7	3.0	1.5	100%	25%	0.7	1.3
52	5.0	3.0	4.0	0.0	80%	0.0%	1.0	0.6	20%	4.0	0.0	5.0	0.8	100%	25%	0.8	0.0
53	1.0	3.0	1.0	0.0	100%	0.0%	0.2	0.6	20%	5.0	0.0	1.0	0.8	100%	25%	1.0	0.0
54	1.0	4.0	1.0	2.0	100%	50.0%	0.2	0.8	20%	5.0	2.5	1.0	1.0	100%	25%	1.0	2.0
55	2.0	0.0	1.0	0.0	50%		2.0		100%	0.5		2.0	0.0	100%	75%	0.5	
56	2.0	0.0	1.0	0.0	50%		2.0		100%	0.5		2.0	0.0	100%	75%	0.5	
57	0.0	0.0	0.0	0.0					100%			0.0	0.0	100%	75%		
58	0.0	0.0	0.0	0.0					100%			0.0	0.0	100%	75%		
59	0.0	0.0	0.0	0.0					100%			0.0	0.0	100%	75%		
60	0.0	0.0	0.0	0.0					100%			0.0	0.0	100%	100%		
Totals:	**16.0**	**21.0**	**12.0**	**4.0**	**75%**	**19.0%**	**6.4**	**4.2**	**29%**	**1.9**	**1.0**	**16.0**	**5.3**	**100%**	**25%**	**0.8**	**0.8**

Retirement Assumption

Current Retirement Rates

	Main System		Public Safety	Judges	Highway Patrol
Age	Reduced	Unreduced	Reduced and Unreduced	Reduced and Unreduced	Reduced and Unreduced
50		30.00%	25.00%		20.00%
51		10.00%	25.00%		20.00%
52		10.00%	25.00%		20.00%
53		10.00%	25.00%		20.00%
54		10.00%	25.00%		20.00%
55	1.00%	10.00%	10.00%	10.00%	100.00%
56	1.00%	8.00%	10.00%	10.00%	
57	1.00%	8.00%	10.00%	10.00%	
58	1.00%	8.00%	10.00%	10.00%	
59	1.00%	8.00%	10.00%	10.00%	
60	2.00%	8.00%	10.00%	10.00%	
61	5.00%	15.00%	10.00%	10.00%	
62	10.00%	30.00%	50.00%	10.00%	
63	10.00%	30.00%	50.00%	10.00%	
64	10.00%	20.00%	50.00%	10.00%	
65		30.00%	50.00%	20.00%	
66		20.00%	20.00%	20.00%	
67		15.00%	20.00%	20.00%	
68		15.00%	20.00%	20.00%	
69		15.00%	20.00%	20.00%	
70		15.00%	20.00%	20.00%	
71		15.00%	20.00%	20.00%	
72		15.00%	20.00%	20.00%	
73		15.00%	20.00%	20.00%	
74		15.00%	20.00%	20.00%	
75+		100.00%	100.00%	100.00%	

The retirement rates above also apply to terminated vested members.

Retirement Assumption – Active Members

Proposed Retirement Rates

	Main System			Public Safety		Judges		Highway Patrol	
Age	Reduced	Unreduced - Rule of 85	Unreduced - Not Rule of 85	Rule of 85	Not Rule of 85	Rule of 85	Not Rule of 85	Rule of 80	Not Rule of 80
50		50%		25%	4%			100%	25%
51		20%		25%	4%			100%	25%
52		20%		25%	4%			100%	25%
53		20%		25%	4%			100%	25%
54		20%		25%	4%			100%	25%
55	1%	8%		25%	10%	10%	2%	100%	75%
56	1%	8%		25%	10%	10%	2%	100%	75%
57	1%	8%		25%	10%	10%	2%	100%	75%
58	1%	9%		25%	10%	10%	2%	100%	75%
59	2%	9%		25%	10%	10%	2%	100%	75%
60	2%	9%		25%	10%	10%	2%	100%	100%
61	4%	15%		25%	10%	10%	2%		
62	8%	20%		50%	25%	10%	2%		
63	8%	20%		50%	25%	10%	2%		
64	8%	20%		50%	25%	10%	2%		
65		35%	20%	50%	50%	100%	10%		
66		35%	20%	50%	50%	100%	10%		
67		20%	15%	50%	50%	100%	10%		
68		20%	15%	50%	50%	100%	10%		
69		20%	15%	50%	50%	100%	10%		
70		20%	15%	100%	50%	100%	20%		
71		20%	15%	100%	50%	100%	20%		
72		20%	15%	100%	50%	100%	20%		
73		20%	15%	100%	50%	100%	20%		
74		20%	15%	100%	50%	100%	20%		
75		50%	50%	100%	100%	100%	100%		
76		50%	50%						
77		50%	50%						
78		50%	50%						
79		50%	50%						
80+		100%	100%						

The Main System proposed rates assume a 50% rate from age 75-79 and 100% at age 80.

Retirement Assumption – Inactive Members

Proposed Retirement Rates – Terminated Vested

	Main System			Public Safety		Judges		Highway Patrol	
Age	Reduced	Unreduced - Rule of 85	Unreduced - Not Rule of 85	Rule of 85	Not Rule of 85	Rule of 85	Not Rule of 85	Rule of 80	Not Rule of 80
50		70%		25%	10%			100%	25%
51		70%		25%	10%			100%	25%
52		70%		25%	10%			100%	25%
53		70%		25%	10%			100%	25%
54		70%		25%	10%			100%	25%
55	1%	70%		25%	10%	10%	2%	100%	75%
56	1%	70%		25%	10%	10%	2%	100%	75%
57	1%	70%		25%	10%	10%	2%	100%	75%
58	1%	70%		25%	10%	10%	2%	100%	75%
59	2%	70%		25%	10%	10%	2%	100%	75%
60	2%	70%		25%	25%	10%	2%	100%	100%
61	4%	70%		25%	25%	10%	2%		
62	8%	70%		50%	25%	10%	2%		
63	8%	70%		50%	25%	10%	2%		
64	8%	70%		50%	25%	10%	2%		
65		70%	25%	50%	50%	100%	10%		
66		70%	25%	50%	50%	100%	10%		
67		70%	25%	50%	50%	100%	10%		
68		70%	25%	50%	50%	100%	10%		
69		70%	25%	50%	50%	100%	10%		
70		70%	25%	100%	50%	100%	20%		
71		70%	25%	100%	50%	100%	20%		
72		70%	25%	100%	50%	100%	20%		
73		70%	25%	100%	50%	100%	20%		
74		70%	25%	100%	50%	100%	20%		
75		70%	50%	100%	100%	100%	100%		
76		70%	50%						
77		70%	50%						
78		70%	50%						
79		70%	50%						
80+		100%	100%						

Turnover Assumption

Turnover

Turnover experience during the last five years was considered in the analysis shown below and on the following pages. The "Exposure" column shows the number of employees at various years of service and/or age throughout the experience period. The number of exposures excludes members who were eligible to retire.

The "Turnover" column shows the number of employees at various years of service and/or age who have left active status for reasons other than retirement, disability and death.

Based on our analysis, we recommend maintaining service-based and age-based turnover rates for the first five years of service and using age-based rates thereafter. The recommendations give partial credibility to turnover experience during the last five years and partial credibility to current rates. Due to the limited credibility of experience for Judges, we recommend maintaining the current assumption that there are no assumed pre-retirement terminations.

Tables and Graphs III(a) through III(f) compare actual turnover experience, current assumptions and recommended assumptions by years of service for each of the following:

Group	Service/Age Based Experience (Under 5 Years)	Age Based Experience
Main System	III(a)	III(b)
Public Safety	III(c)	III(d)
Highway Patrol	III(e)	III(f)

Turnover Assumption

Main System – Service-Based Turnover

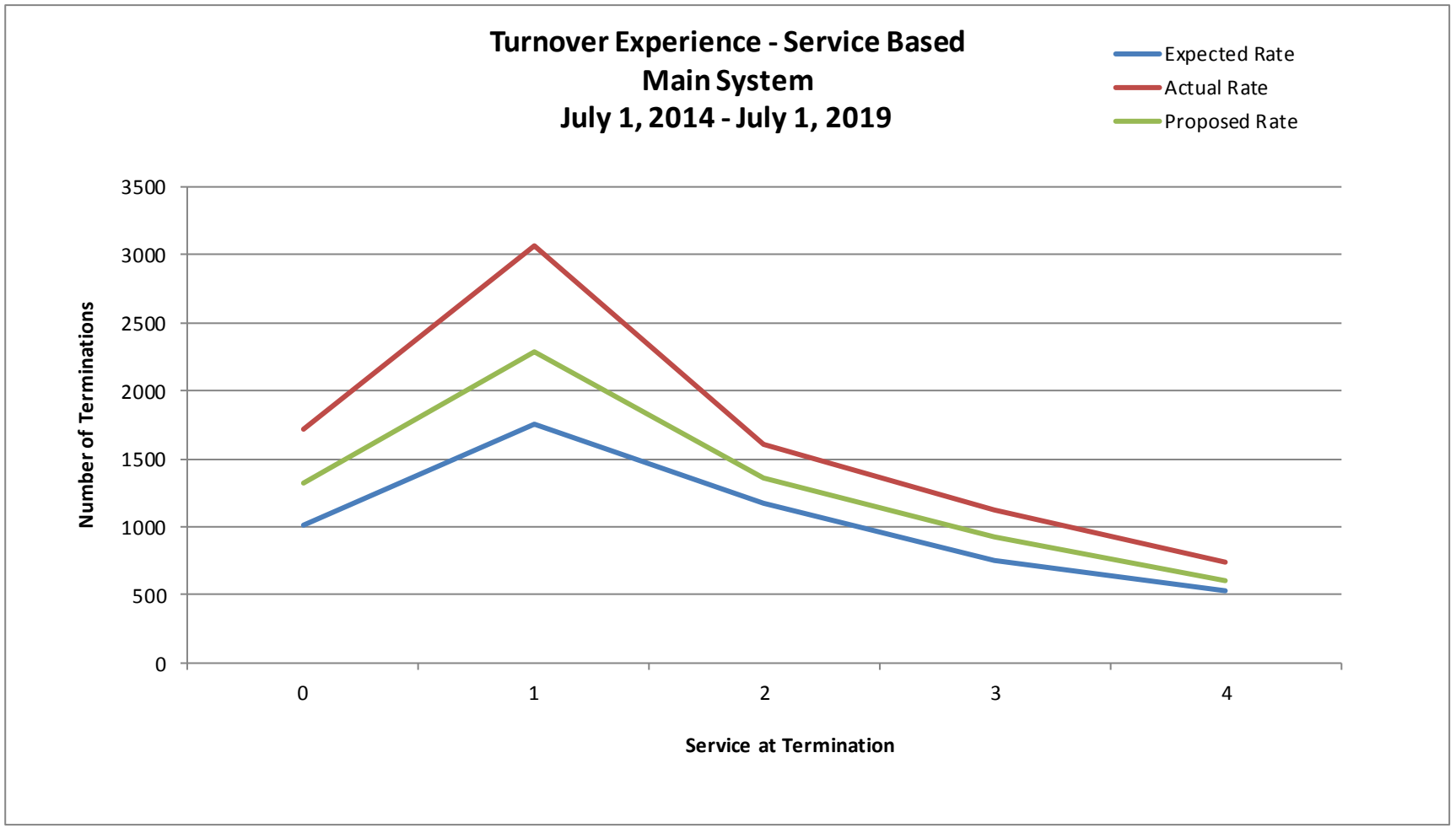
Table III (a)

Main System Turnover Experience																
Age @ Termination	Under 30 Years Old				30 to 39 Years Old				Over 39 Years Old				Total			
Service @ Termination	Exposures	Actual Turnover Count	Expected Count Under Current Assumption	Expected Count Under Proposed Assumption	Exposures	Actual Turnover Count	Expected Count Under Current Assumption	Expected Count Under Proposed Assumption	Exposures	Actual Turnover Count	Expected Count Under Current Assumption	Expected Count Under Proposed Assumption	Exposures	Actual Turnover Count	Expected Count Under Current Assumption	Expected Count Under Proposed Assumption
0	2,048.0	716.0	450.6	573.4	1,802.0	459.0	288.3	360.4	2,275.0	538.0	277.2	386.8	6,125.0	1,713.0	1,016.0	1,320.6
1	3,705.0	1,160.0	666.9	889.2	3,811.0	840.0	540.8	647.9	5,389.0	1,070.0	544.5	754.5	12,905.0	3,070.0	1,752.3	2,291.5
2	2,196.0	462.0	351.4	395.3	3,029.0	502.0	370.0	424.1	4,452.0	644.0	447.9	534.2	9,677.0	1,608.0	1,169.3	1,353.6
3	1,409.0	255.0	197.3	225.4	2,562.0	357.0	310.6	333.1	3,026.0	514.0	246.6	363.1	6,997.0	1,126.0	754.4	921.6
4	826.0	108.0	115.6	107.4	2,106.0	240.0	234.8	231.7	2,448.0	396.0	174.7	269.3	5,380.0	744.0	525.1	608.3
Totals:	**10,184.0**	**2,701.0**	**1,781.7**	**2,190.7**	**13,310.0**	**2,398.0**	**1,744.5**	**1,997.1**	**17,590.0**	**3,162.0**	**1,690.9**	**2,307.9**	**41,084.0**	**8,261.0**	**5,217.1**	**6,495.6**

Age @ Termination	Under 30 Years Old			30 to 39 Years Old			Over 39 Years Old			Total		
Service @ Termination	Actual Rate	Current Rate	Proposed Rate	Actual Rate	Current Rate	Proposed Rate	Actual Rate	Current Rate	Proposed Rate	Actual Rate	Current Rate	Proposed Rate
0	35%	22%	28%	25%	16%	20%	24%	12%	17%	28%	17%	22%
1	31%	18%	24%	22%	14%	17%	20%	10%	14%	24%	14%	18%
2	21%	16%	18%	17%	12%	14%	14%	10%	12%	17%	12%	14%
3	18%	14%	16%	14%	12%	13%	17%	8%	12%	16%	11%	13%
4	13%	14%	13%	11%	11%	11%	16%	7%	11%	14%	10%	11%

Turnover Assumption

Graph III(a)



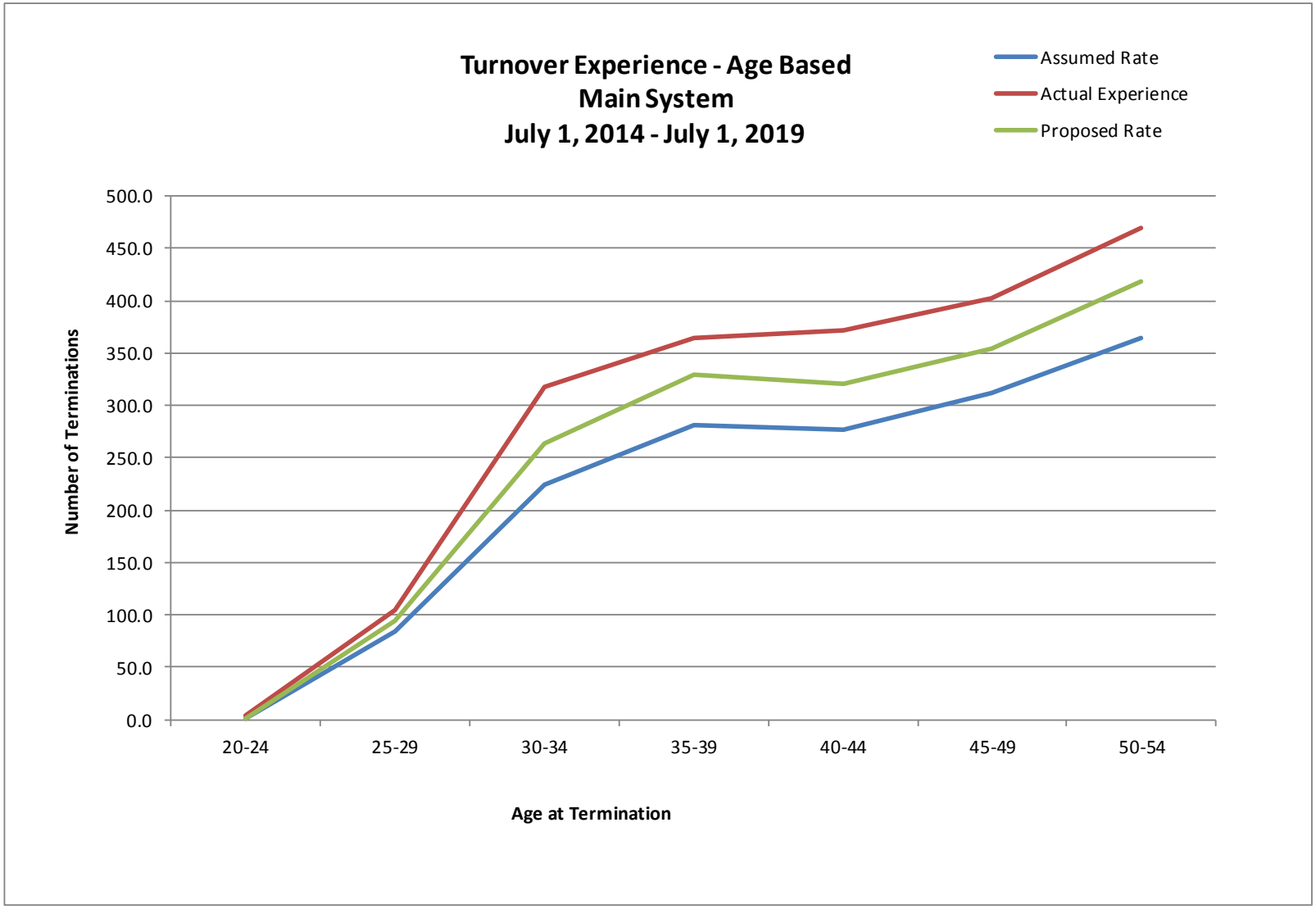
Turnover Assumption

Main System – Age-Based Turnover (5+ Years of Service) **Table III (b)**

Main System Turnover Experience									
	Actual Experience			Current Assumptions			Proposed Assumptions		
Age @ Termination	Exposures	Termination	Actual Rate	Expected Termination	Assumed Rate	Actual / Expected	Expected Termination	Proposed Rate	Actual / Expected
20-24	13.0	3.0	23.08%	1.1	8.80%	2.6	1.4	11.00%	2.1
25-29	949.0	104.0	10.96%	83.5	8.80%	1.2	94.9	10.00%	1.1
30-34	4,065.0	318.0	7.82%	223.6	5.50%	1.4	264.2	6.50%	1.2
35-39	5,990.0	365.0	6.09%	281.5	4.70%	1.3	329.5	5.50%	1.1
40-44	7,114.0	372.0	5.23%	277.4	3.90%	1.3	320.1	4.50%	1.2
45-49	8,440.0	402.0	4.76%	312.3	3.70%	1.3	354.5	4.20%	1.1
50-54	10,739.0	469.0	4.37%	365.1	3.40%	1.3	418.8	3.90%	1.1
Totals:	**37,310.0**	**2,033.0**	**5.45%**	**1,544.6**	**4.14%**	**1.3**	**1,783.4**	**4.78%**	**1.1**

Turnover Assumption

Graph III(b)



Turnover Assumption

Public Safety – Service-Based Turnover

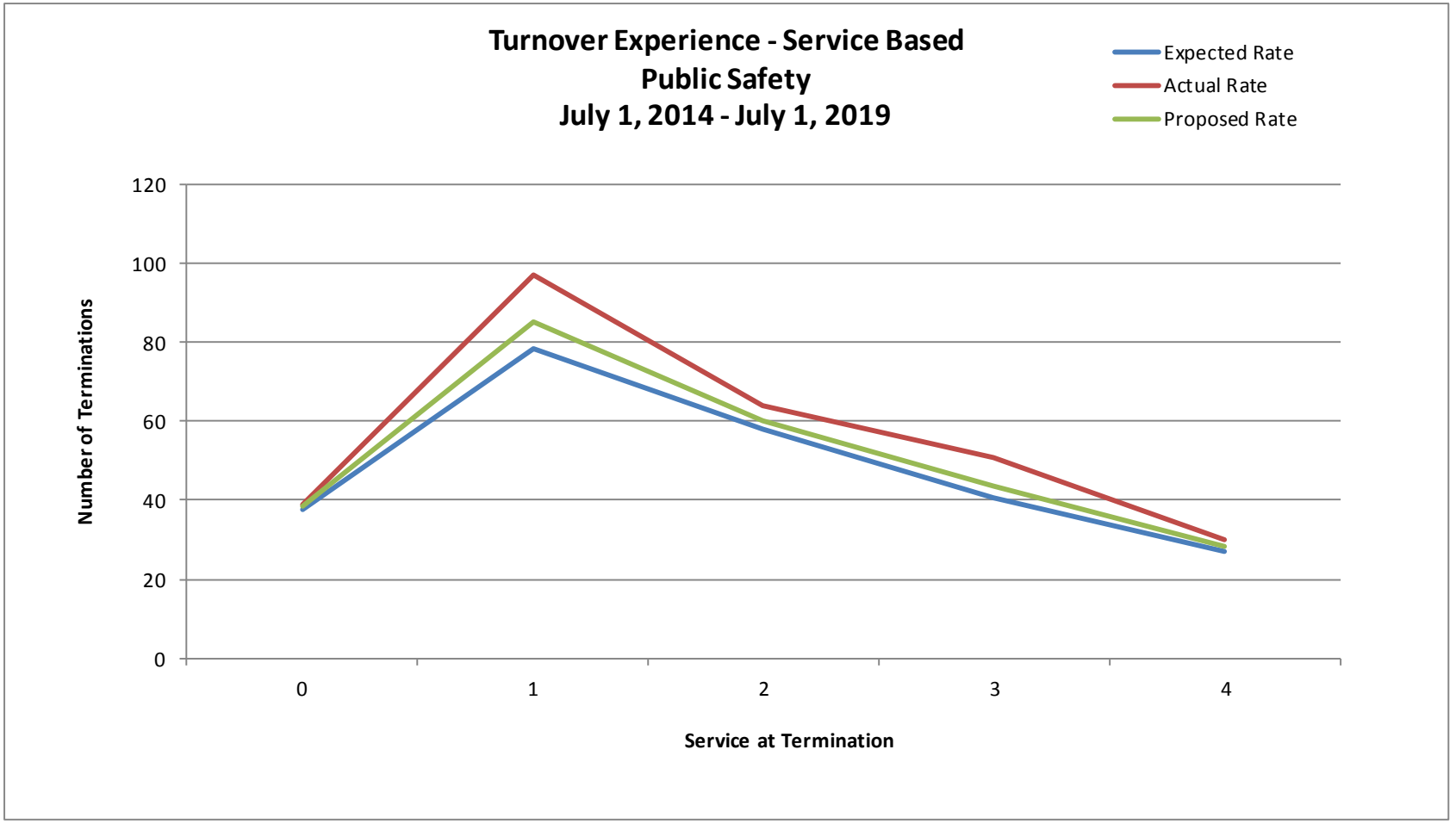
Table III (c)

Public Safety Turnover Experience																
Age @ Termination	Under 30 Years Old				30 to 39 Years Old				Over 39 Years Old				Total			
Service @ Termination	Exposures	Actual Turnover Count	Expected Count under Current Assumption	Expected Count under Proposed Assumption	Exposures	Actual Turnover Count	Expected Count under Current Assumption	Expected Count under Proposed Assumption	Exposures	Actual Turnover Count	Expected Count under Current Assumption	Expected Count under Proposed Assumption	Exposures	Actual Turnover Count	Expected Count under Current Assumption	Expected Count under Proposed Assumption
0	88.0	26.0	22.0	23.8	54.0	9.0	11.0	10.3	28.0	4.0	4.8	4.5	170.0	39.0	37.7	38.5
1	196.0	53.0	45.1	49.0	133.0	28.0	23.0	25.3	68.0	16.0	10.2	10.9	397.0	97.0	78.3	85.2
2	160.0	32.0	32.0	32.0	123.0	21.0	18.6	19.7	61.0	11.0	7.4	8.5	344.0	64.0	58.0	60.2
3	123.0	22.0	20.9	20.9	105.0	17.0	14.0	14.7	57.0	12.0	5.8	8.0	285.0	51.0	40.6	43.6
4	78.0	15.0	11.7	13.3	111.0	8.0	12.6	11.1	38.0	7.0	2.8	3.8	227.0	30.0	27.0	28.2
Totals:	**645.0**	**148.0**	**131.7**	**138.9**	**526.0**	**83.0**	**79.1**	**81.0**	**252.0**	**50.0**	**30.9**	**35.7**	**1,423.0**	**281.0**	**241.7**	**255.6**

Age @ Termination	Under 30 Years Old			30 to 39 Years Old			Over 39 Years Old			Total		
Service @ Termination	Actual Rate	Current Rate	Proposed Rate	Actual Rate	Current Rate	Proposed Rate	Actual Rate	Current Rate	Proposed Rate	Actual Rate	Current Rate	Proposed Rate
0	30%	25%	27%	17%	20%	19%	14%	17%	16%	23%	22%	23%
1	27%	23%	25%	21%	17%	19%	24%	15%	16%	24%	20%	21%
2	20%	20%	20%	17%	15%	16%	18%	12%	14%	19%	17%	18%
3	18%	17%	17%	16%	13%	14%	21%	10%	14%	18%	14%	15%
4	19%	15%	17%	7%	11%	10%	18%	7%	10%	13%	12%	12%

Turnover Assumption

Graph III(c)



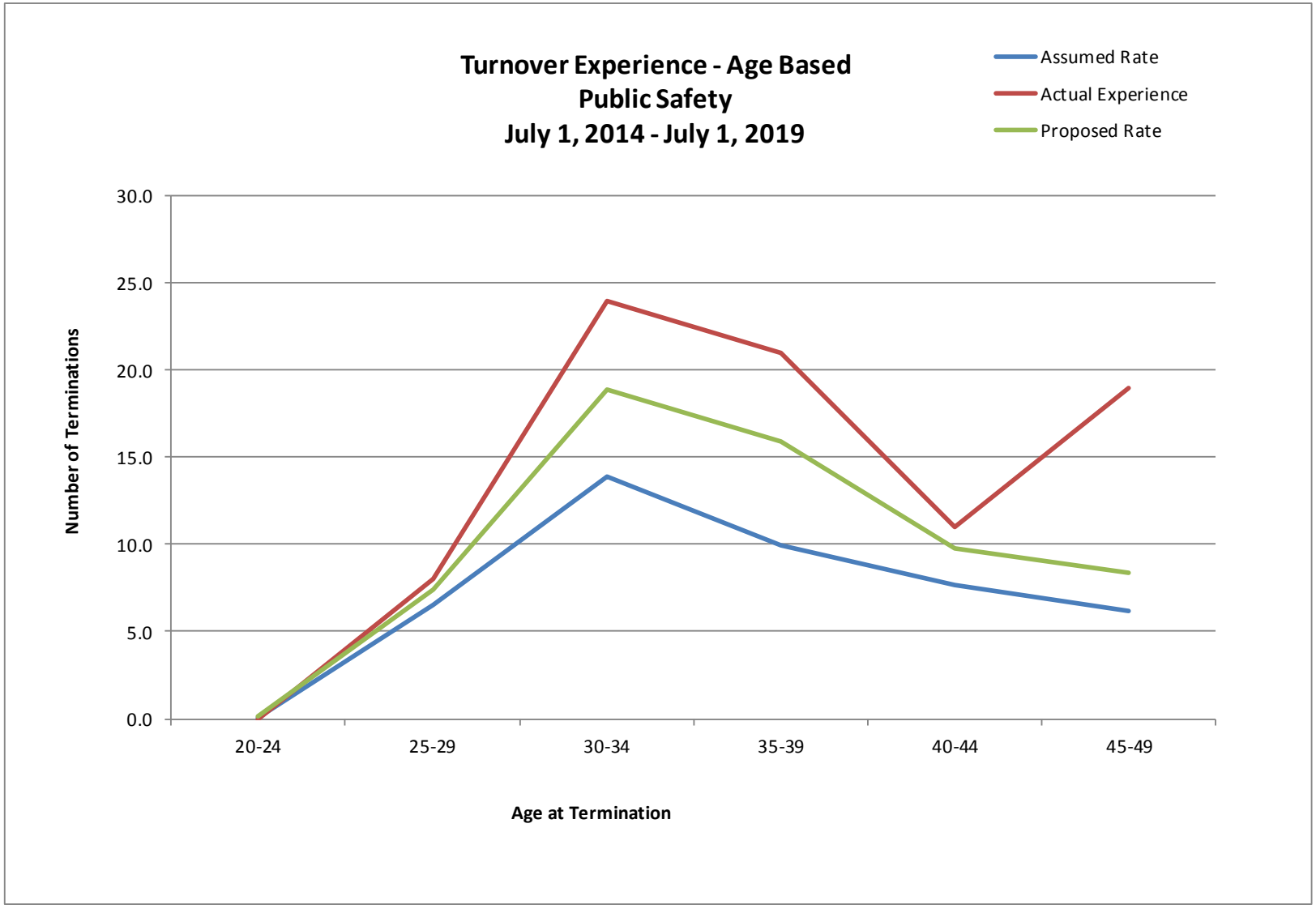
Turnover Assumption

Public Safety – Age-Based Turnover (5+ Years of Service) **Table III (d)**

Public Safety Turnover Experience									
	Actual Experience			Current Assumptions			Proposed Assumptions		
Age @ Termination	Exposures	Termination	Actual Rate	Expected Termination	Assumed Rate	Actual / Expected	Expected Termination	Proposed Rate	Actual / Expected
20-24	1.0	0.0	0.00%	0.1	8.80%	0.0	0.1	10.00%	0.0
25-29	74.0	8.0	10.81%	6.5	8.80%	1.2	7.4	10.00%	1.1
30-34	252.0	24.0	9.52%	13.9	5.50%	1.7	18.9	7.50%	1.3
35-39	212.0	21.0	9.91%	10.0	4.70%	2.1	15.9	7.50%	1.3
40-44	196.0	11.0	5.61%	7.6	3.90%	1.4	9.8	5.00%	1.1
45-49	168.0	19.0	11.31%	6.2	3.70%	3.1	8.4	5.00%	2.3
Totals:	**903.0**	**83.0**	**9.19%**	**44.3**	**4.90%**	**1.9**	**60.5**	**6.70%**	**1.4**

Turnover Assumption

Graph III(d)



Turnover Assumption

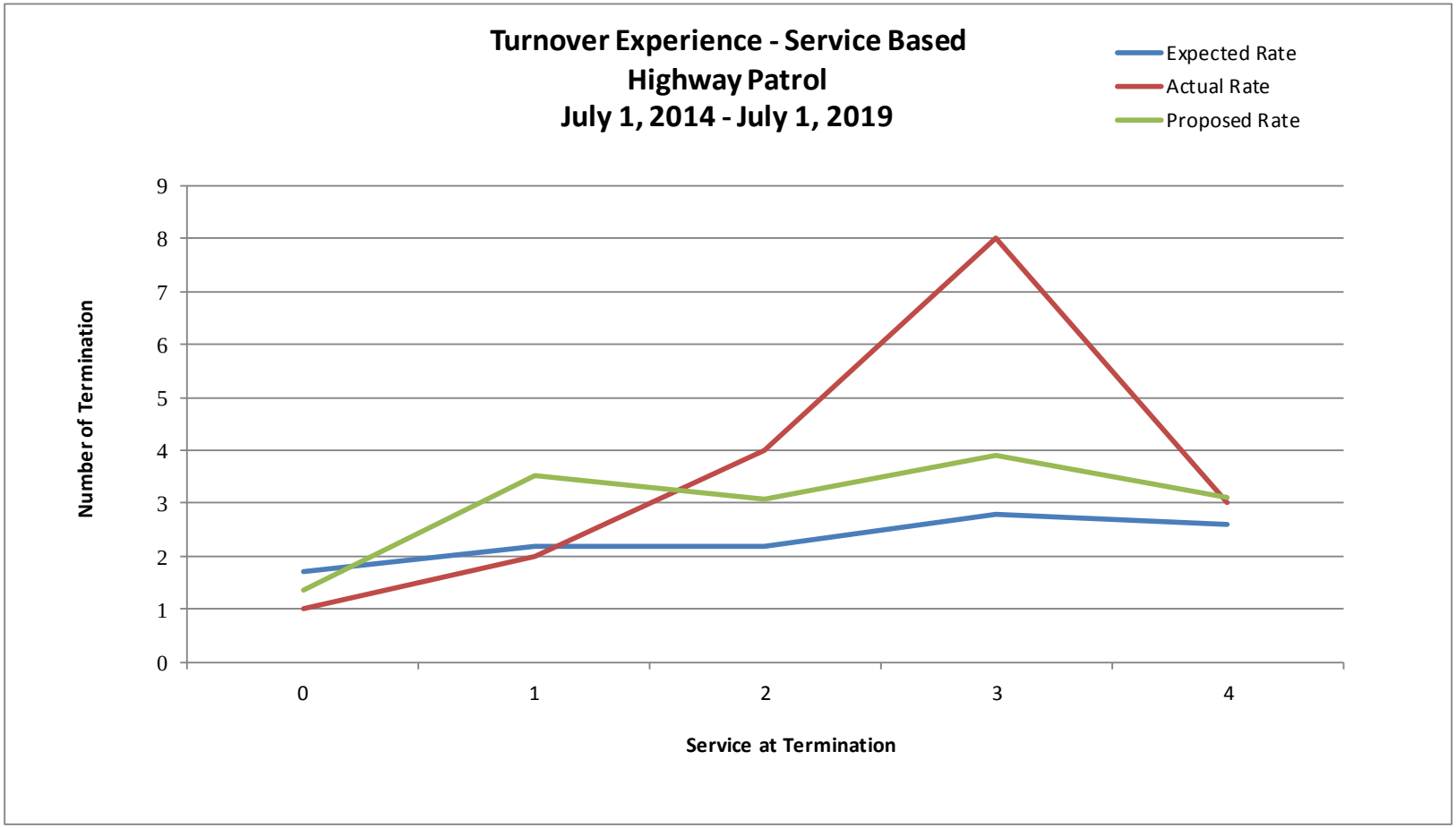
Highway Patrol – Service-Based Turnover **Table III (e)**

Highway Patrol Turnover Experience				
	Total			
Service @ Termination	Exposures	Actual Turnover Count	Expected Turnover Count under Current Assumption	Expected Turnover Count under Proposed Assumption
0	17.0	1.0	1.7	1.4
1	44.0	2.0	2.2	3.5
2	44.0	4.0	2.2	3.1
3	56.0	8.0	2.8	3.9
4	52.0	3.0	2.6	3.1
Totals:	**213.0**	**18.0**	**11.5**	**15.0**

	Total		
Service @ Termination	Actual Rate	Current Rate	Proposed Rate
0	6%	10%	8%
1	5%	5%	8%
2	9%	5%	7%
3	14%	5%	7%
4	6%	5%	6%

Turnover Assumption

Graph III(e)



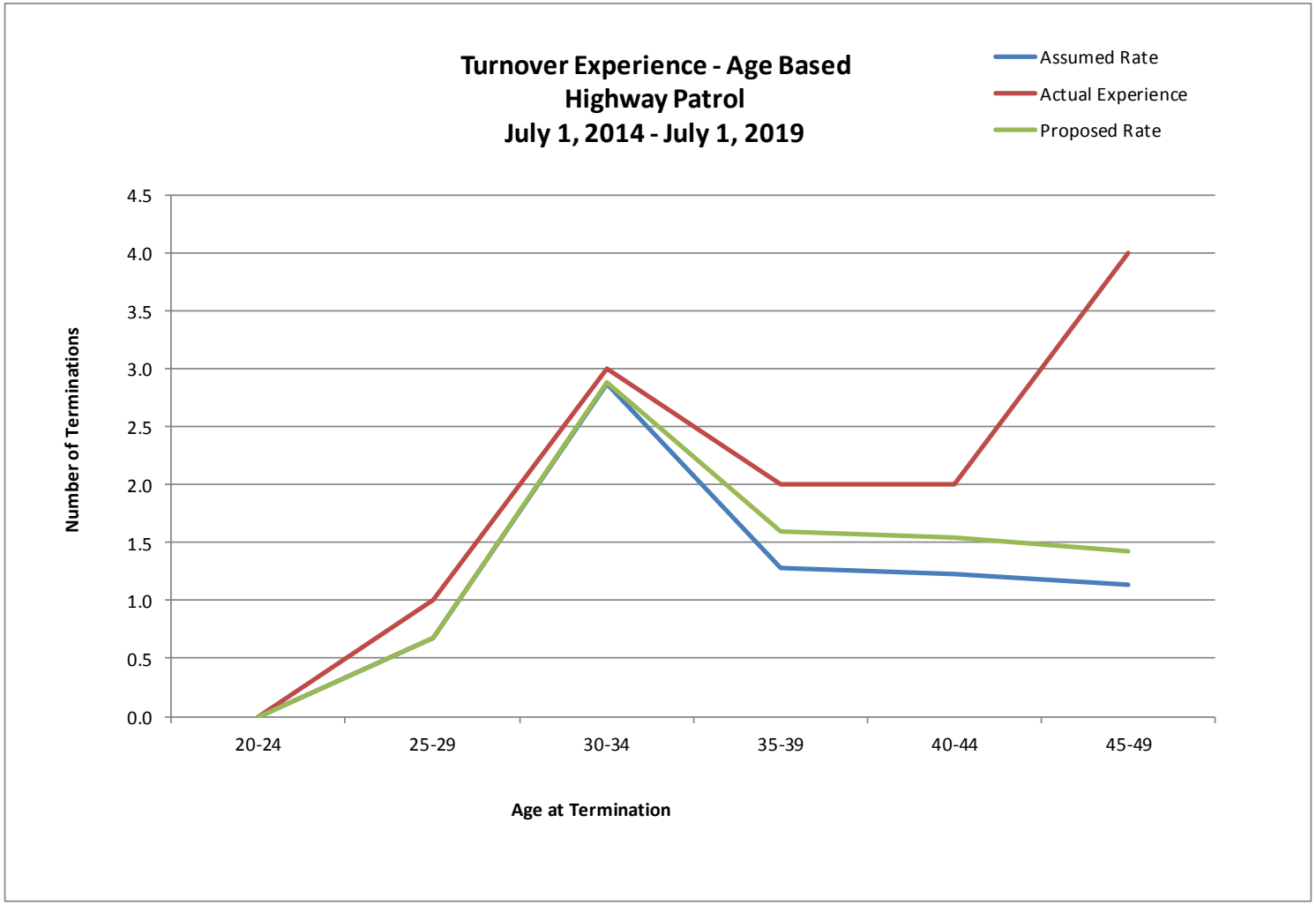
Turnover Assumption

Highway Patrol – Age-Based Turnover (5+ Years) **Table III(f)**

Highway Patrol Turnover Experience									
	Actual Experience			Current Assumptions			Proposed Assumptions		
Age @ Termination	Exposures	Termination	Actual Rate	Expected Termination	Assumed Rate	Actual / Expected	Expected Termination	Proposed Rate	Actual / Expected
20-24	0.0	0.0		0.0	2.50%		0.0	2.50%	
25-29	27.0	1.0	3.70%	0.7	2.50%	1.5	0.7	2.50%	1.5
30-34	115.0	3.0	2.61%	2.9	2.50%	1.0	2.9	2.50%	1.0
35-39	128.0	2.0	1.56%	1.3	1.00%	1.6	1.6	1.25%	1.3
40-44	123.0	2.0	1.63%	1.2	1.00%	1.6	1.5	1.25%	1.3
45-49	114.0	4.0	3.51%	1.1	1.00%	3.5	1.4	1.25%	2.8
Totals:	**507.0**	**12.0**	**2.37%**	**7.2**	**1.42%**	**1.7**	**8.1**	**1.60%**	**1.5**

Turnover Assumption

Graph III(f)



Turnover Assumption

Current Assumption

Service Beginning of Year	Service and Age-Based Rates for First Five Years of Service						
	Main System			Public Safety			Highway Patrol
	Age						
	Under 30	30-39	40+	Under 30	30-39	40+	All Ages
0	22.00%	16.00%	12.00%	25.00%	20.00%	17.00%	10.00%
1	18.00%	14.00%	10.00%	23.00%	17.00%	15.00%	5.00%
2	16.00%	12.00%	10.00%	20.00%	15.00%	12.00%	5.00%
3	14.00%	12.00%	8.00%	17.00%	13.00%	10.00%	5.00%
4	14.00%	11.00%	7.00%	15.00%	11.00%	7.00%	5.00%

Age	Age-Based Rates Only after First Five Years of Service		
	Main System	Public Safety	Highway Patrol
20-24	8.80%	8.80%	2.50%
25-29	8.80%	8.80%	2.50%
30-34	5.50%	5.50%	2.50%
35-39	4.70%	4.70%	1.00%
40-44	3.90%	3.90%	1.00%
45-49	3.70%	3.70%	1.00%
50-54	3.40%	3.40%	1.00%
55-59	0.10%	0.10%	1.00%
60+	0.20%	0.20%	1.00%

No pre-retirement termination is assumed for Judges.

Turnover Assumption

Proposed Assumption

Service Beginning of Year	Service and Age-Based Rates for First Five Years of Service						
	Main System			Public Safety			Highway Patrol
	Age						
	Under 30	30-39	40+	Under 30	30-39	40+	All Ages
0	28.00%	20.00%	17.00%	27.00%	19.00%	16.00%	8.00%
1	24.00%	17.00%	14.00%	25.00%	19.00%	16.00%	8.00%
2	18.00%	14.00%	12.00%	20.00%	16.00%	14.00%	7.00%
3	16.00%	13.00%	12.00%	17.00%	14.00%	14.00%	7.00%
4	13.00%	11.00%	11.00%	17.00%	10.00%	10.00%	6.00%

Age	Age-Based Rates Only after First Five Years of Service		
	Main System	Public Safety	Highway Patrol
20-24	11.00%	10.00%	2.50%
25-29	10.00%	10.00%	2.50%
30-34	6.50%	7.50%	2.50%
35-39	5.50%	7.50%	1.25%
40-44	4.50%	5.00%	1.25%
45-49	4.20%	5.00%	1.25%
50-54	3.90%	5.00%	1.25%
55-59	3.60%	5.00%	1.25%
60+	3.30%	5.00%	1.25%

No pre-retirement termination is assumed for Judges.

Disability

Disability experience during the last five years was considered in the analysis shown on the following pages. The "Exposure" column shows the number of employees at various ages throughout the experience period. The number of exposures includes all active members who are eligible to receive disability benefits from NDPERS. The actual total disabilities include disabilities from active status and disabilities from terminated status (where there may have been a lag in approval of the disability benefits).

The current assumption is 20% of the OASDI disability incidence rates for males and 10% of the OASDI disability incidence rates for females, with a rate of 0.25% for ages 65 and older.

Following is a summary of the actual total disabilities, expected disabilities under the current assumptions and expected disabilities under the proposed total disability rates. The proposed rates are 75% of the current rates for males and 85% of the current rates for females, with a rate of 0.15% for ages 65 and older.

	Male			Female		
All Groups	**Actual**	**Expected**	**Proposed**	**Actual**	**Expected**	**Proposed**
Under Age 45	4	7	5	3	5	4
Age 45 or Older	36	57	42	35	47	38
Total	40	64	47	38	52	42

Numbers may not add due to rounding.

Table IV(a) and Graph IV(a) compare the disability experience, current assumptions and recommended assumptions by age.

Group	Disability Experience Table	Disability Experience Graph
All Plans	IV(a)	IV(a)

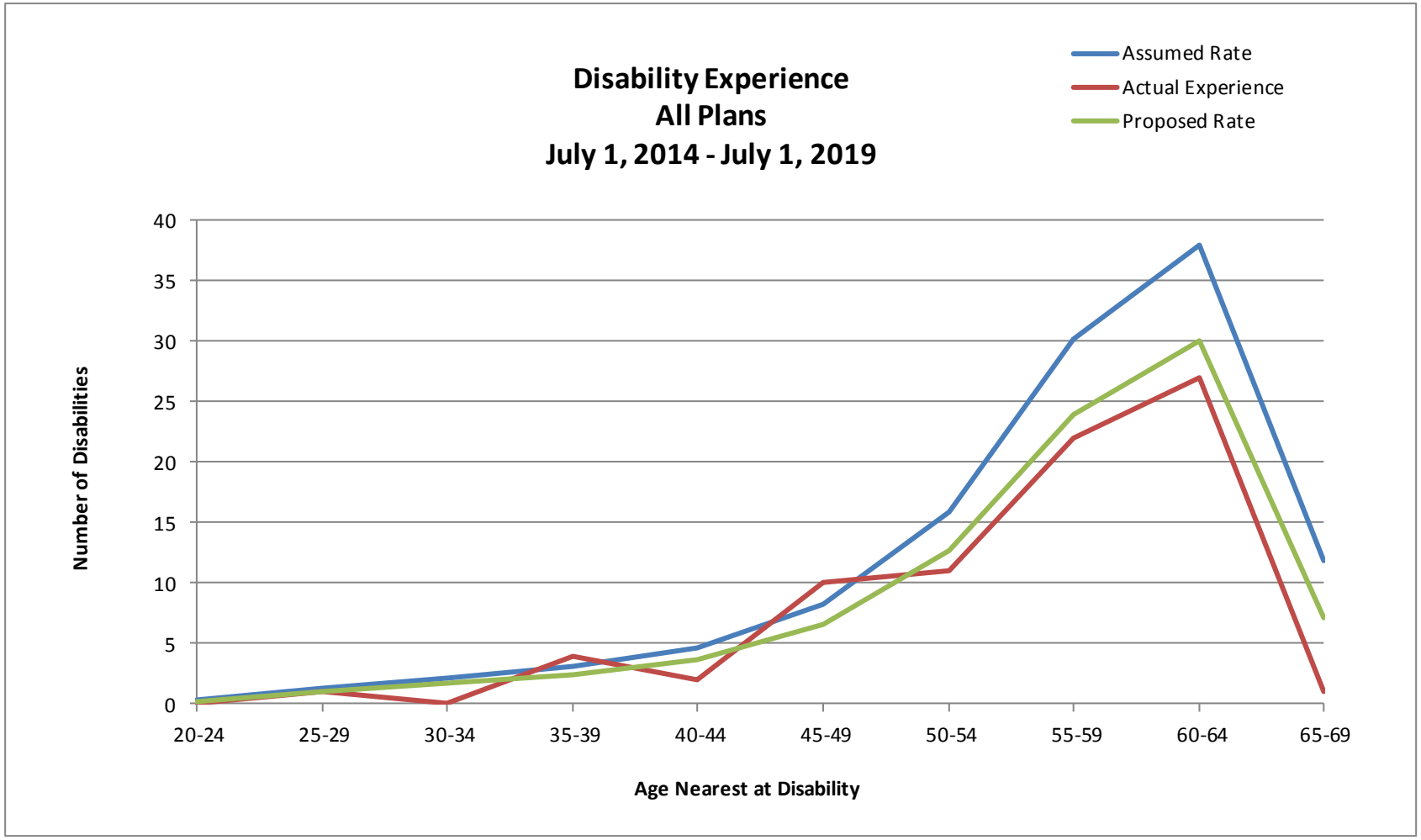
Disability Assumption

Table IV(a)

Male Disability Experience									
	Actual Experience			Current Assumptions			Proposed Assumptions		
Age @ Disablement	Exposures	Disabilities	Actual Rate	Expected Disabilities	Assumed Rate	Actual / Expected	Expected Disabilities	Proposed Rate	Actual / Expected
20-24	1,264.0	0.0	0.00%	0.2	0.01%	0.0	0.1	0.01%	0.0
25-29	3,979.0	0.0	0.00%	0.8	0.02%	0.0	0.6	0.01%	0.0
30-34	5,085.0	0.0	0.00%	1.3	0.02%	0.0	0.9	0.02%	0.0
35-39	5,114.0	3.0	0.06%	1.8	0.03%	1.7	1.3	0.03%	2.3
40-44	4,701.0	1.0	0.02%	2.5	0.05%	0.4	1.9	0.04%	0.5
45-49	4,916.0	6.0	0.12%	4.4	0.09%	1.4	3.3	0.07%	1.8
50-54	5,712.0	6.0	0.11%	8.7	0.15%	0.7	6.5	0.11%	0.9
55-59	6,695.0	8.0	0.12%	16.6	0.25%	0.5	12.4	0.19%	0.6
60-64	5,716.0	15.0	0.26%	22.1	0.39%	0.7	16.6	0.29%	0.9
65-69	2,122.0	1.0	0.05%	5.3	0.25%	0.2	3.2	0.15%	0.3
Totals:	**45,304.0**	**40.0**	**0.09%**	**63.6**	**0.14%**	**0.6**	**46.9**	**0.10%**	**0.9**
Under Age 45	**20,143.0**	**4.0**	**0.02%**	**6.5**	**0.03%**	**0.6**	**4.9**	**0.02%**	**0.8**
Age 45+	**25,161.0**	**36.0**	**0.14%**	**57.1**	**0.23%**	**0.6**	**42.0**	**0.17%**	**0.9**
Female Disability Experience									
	Actual Experience			Current Assumptions			Proposed Assumptions		
Age @ Disablement	Exposures	Disabilities	Actual Rate	Expected Disabilities	Assumed Rate	Actual / Expected	Expected Disabilities	Proposed Rate	Actual / Expected
20-24	1,634.0	0.0	0.00%	0.1	0.01%	0.0	0.1	0.01%	0.0
25-29	4,961.0	1.0	0.02%	0.5	0.01%	2.1	0.4	0.01%	2.5
30-34	6,718.0	0.0	0.00%	0.8	0.01%	0.0	0.7	0.01%	0.0
35-39	7,448.0	1.0	0.01%	1.3	0.02%	0.8	1.1	0.01%	0.9
40-44	7,861.0	1.0	0.01%	2.1	0.03%	0.5	1.8	0.02%	0.6
45-49	8,388.0	4.0	0.05%	3.8	0.04%	1.1	3.2	0.04%	1.3
50-54	9,537.0	5.0	0.05%	7.2	0.08%	0.7	6.2	0.06%	0.8
55-59	11,019.0	14.0	0.13%	13.6	0.12%	1.0	11.6	0.11%	1.2
60-64	8,291.0	12.0	0.14%	15.9	0.20%	0.8	13.5	0.17%	0.9
65-69	2,594.0	0.0	0.00%	6.5	0.25%	0.0	3.9	0.15%	0.0
Totals:	**68,451.0**	**38.0**	**0.06%**	**51.8**	**0.08%**	**0.7**	**42.5**	**0.06%**	**0.9**
Under Age 45	**28,622.0**	**3.0**	**0.01%**	**4.8**	**0.02%**	**0.6**	**4.1**	**0.01%**	**0.7**
Age 45+	**39,829.0**	**35.0**	**0.09%**	**47.0**	**0.12%**	**0.7**	**38.3**	**0.10%**	**0.9**
Combined Male and Female Disability Experience									
Grand Totals:	**113,755.0**	**78.0**	**0.07%**	**115.4**	**0.10%**	**0.7**	**89.3**	**0.08%**	**0.9**
Under Age 45	**48,765.0**	**7.0**	**0.01%**	**11.3**	**0.02%**	**0.6**	**9.0**	**0.02%**	**0.8**
Age 45+	**64,990.0**	**71.0**	**0.11%**	**104.1**	**0.16%**	**0.7**	**80.3**	**0.12%**	**0.9**

Disability Assumption

Graph IV(a)



Mortality Assumptions

Mortality

Post-retirement mortality is an important component in cost calculations and should be updated from time to time to reflect current and expected future longevity improvements. Pre-retirement mortality is a relatively minor component in cost calculations. The frequency of pre-retirement deaths is generally so low that mortality assumptions based on actual experience can only be produced for very large retirement systems.

Actuarial Standards of Practice

Actuarial Standards of Practice (ASOP) No. 35 Disclosure Section 4.1.1 states, "The disclosure of the mortality assumption should contain sufficient detail to permit another qualified actuary to understand the provision made for future mortality improvement. If the actuary assumes zero mortality improvement after the measurement date, the actuary should state that no provision was made for future mortality improvement." The current mortality rates used in the actuarial valuation include a provision for future mortality improvement.

Partial Credibility

We use what is termed "the limited fluctuation credibility procedure" to determine the appropriate scaling factor of the base mortality tables for each gender and each member classification. We used a benefits weighted basis for postretirement non-disabled mortality and used a headcount basis for preretirement and post-retirement disabled mortality. In each case, the partial credibility factor (or "Z-factor") is computed based on the experience of the specific group being studied. This Z-factor is a measure of the credibility of the pertinent group.

The Best Fit is the ratio of actual to expected deaths using the base table. The final scale is then determined as the weighted average of the Best Fit and 100% based on the Z-factor. For example, the Z-factor for Male Active Members is 21%, suggesting that the data for this group is 21% credible (there were not enough deaths among active members to be completely credible). The Best Fit for this group would be to scale the base tables by 63%. The final scale of 92% is the credibility-weighted average (92% = 21% x 63% + 79% x 100%). Factors for other groups are determined similarly.

	Benefits or Deaths Needed For Full Credibility	Observed Deaths	Z-Factor	Best Fit	Final Scale Factor
Healthy Male Retirees	272	82	55%	106%	103%
Healthy Female Retirees	179	53	54%	102%	101%
Disabled Male Retirees	1,082	36	18%	193%	117%
Disabled Female Retirees	1,082	30	17%	170%	112%
Male Active Members	1,082	50	21%	63%	92%
Female Active Members	1,082	37	18%	54%	92%

Disabled and active member experience is based on counts and healthy retiree experience is based on benefit amounts (total benefit amounts divided by 100,000).

Recommended Changes

The current pre-retirement and post-retirement assumption is based on the RP 2000 Combined Healthy Mortality table, sex distinct (with rates set back by two years for males and three years for females) with generational mortality improvement from the year 2014 using the Social Security Administration 2014 Intermediate Cost scale, and the current post-retirement disabled assumption is based on the RP 2000 Disabled Retiree Mortality table, sex distinct (with rates set back 1 year for males and rates multiplied by 125 percent).

The proposed assumption is the newly published Pub 2010 Public Sector Mortality Table (for General Employees), sex distinct, with rates projected from 2010 using projection scale MP-2019 (generational mortality).

Type	Assumption	Recommended Male Scaling Factor	Recommended Female Scaling Factor
Post-retirement non-disabled	Pub-2010 Healthy Retiree Mortality Table (for General Employees), sex distinct	103%	101%
Post-retirement disabled	Pub-2010 Disabled Retiree Mortality Table (for General Employees), sex distinct	117%	112%
Pre-retirement	Pub-2010 Employee Mortality Table (for General Employees), sex distinct	92%	92%

The tables below show mortality experience for all Groups.

Group	Mortality Experience Table	Mortality Experience Graph
Pre-Retirement	V(a)	
Post-Retirement	V(b)	V(b)
Disabled	V(c)	

Mortality Assumptions

Table V(a)

Pre-Retirement Mortality Experience - All Groups Combined								
	Actual Experience		Current Assumptions		Best Fit Assumptions		Proposed Assumptions Adjusted For Credibility	
Gender	Exposures	Deaths	Expected Deaths	Actual / Expected	Expected Deaths	Actual / Expected	Expected Deaths	Actual / Expected
Male	45,914.0	50.0	130.0	0.4	51.0	1.0	74.0	0.7
Female	68,976.0	37.0	124.0	0.3	37.0	1.0	64.0	0.6
Male and Female Grand Total	**114,890.0**	**87.0**	**254.0**	**0.3**	**88.0**	**1.0**	**138.0**	**0.6**

Expected deaths under the current and proposed assumptions are on a count weighted basis.
Best fit assumptions use a scaling factor of 63% for males and 54% for females. Proposed assumptions adjusted for credibility use a scaling factor of 92% for males and 92% for females.

Mortality Assumptions

Table V(b)

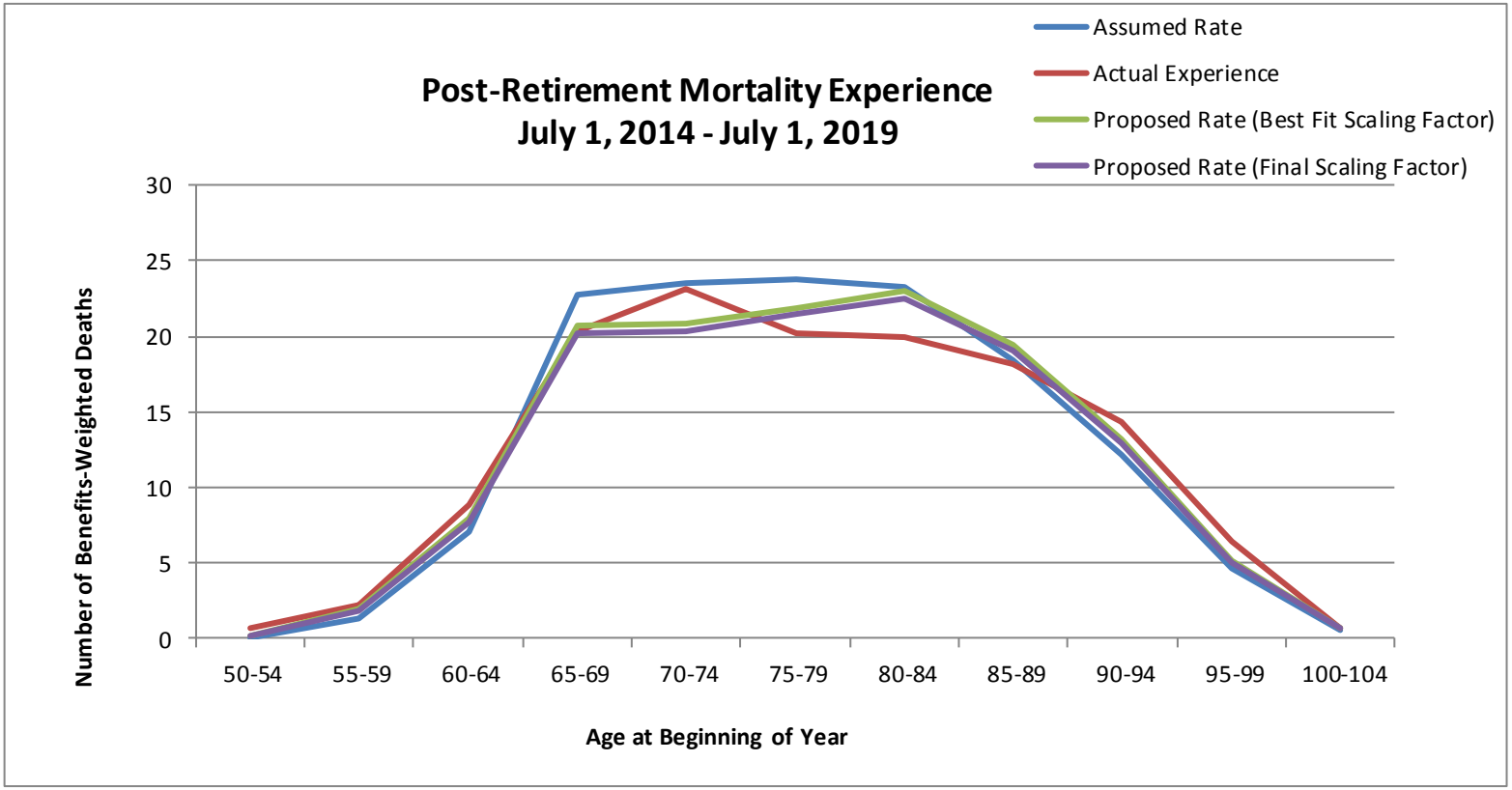
Male Post-Retirement Mortality Experience - All Groups Combined															
	Actual Experience						Current Assumptions			Best Fit Assumptions			Proposed Assumptions Adjusted For Credibility		
	Population Weighted		Benefits Weighted		Actual Rates Weighted by		Expected	Assumed	Actual /	Expected	Best Fit	Actual /	Expected	Proposed	Actual /
Age	Exposures	Deaths	Exposures	Deaths	Population	Benefits	Deaths	Rate	Expected	Deaths	Rate	Expected	Deaths	Rate	Expected
50-54	48.0	0.0	17.6	0.0	0.000%	0.000%	0.0	0.227%	0.0	0.1	0.398%	0.0	0.1	0.398%	0.0
55-59	586.0	3.0	194.1	1.0	0.512%	0.530%	0.8	0.386%	1.4	1.1	0.562%	0.9	1.1	0.546%	1.0
60-64	2,150.0	22.0	576.9	4.9	1.023%	0.842%	4.0	0.699%	1.2	4.7	0.806%	1.0	4.5	0.783%	1.1
65-69	5,446.0	76.0	1,115.3	13.4	1.396%	1.197%	13.9	1.243%	1.0	12.9	1.158%	1.0	12.6	1.126%	1.1
70-74	4,284.0	101.0	681.7	15.3	2.358%	2.249%	14.3	2.093%	1.1	12.7	1.869%	1.2	12.4	1.816%	1.2
75-79	2,965.0	94.0	429.4	13.1	3.170%	3.054%	15.5	3.603%	0.8	14.2	3.298%	0.9	13.8	3.204%	1.0
80-84	1,951.0	94.0	252.0	10.5	4.818%	4.171%	15.5	6.151%	0.7	15.0	5.940%	0.7	14.5	5.770%	0.7
85-89	1,090.0	110.0	115.5	11.6	10.092%	10.034%	12.1	10.432%	1.0	12.1	10.458%	1.0	11.7	10.163%	1.0
90-94	449.0	85.0	38.8	8.5	18.931%	21.769%	6.7	17.285%	1.3	6.8	17.413%	1.3	6.6	16.924%	1.3
95-99	96.0	40.0	9.0	3.4	41.667%	38.171%	2.2	24.734%	1.5	2.3	25.403%	1.5	2.2	24.623%	1.6
100-104	4.0	3.0	0.4	0.3	75.000%	67.759%	0.1	32.440%	2.1	0.2	34.757%	1.9	0.1	32.440%	2.1
Totals:	**19,069.0**	**628.0**	**3,430.7**	**82.0**	**3.293%**	**2.389%**	**85.0**	**2.479%**	**1.0**	**81.9**	**2.386%**	**1.0**	**79.6**	**2.319%**	**1.0**

Female Post-Retirement Mortality Experience - All Groups Combined															
	Actual Experience						Current Assumptions			Best Fit Assumptions			Proposed Assumptions Adjusted For Credibility		
	Population Weighted		Benefits Weighted		Actual Rates Weighted by		Expected	Assumed	Actual /	Expected	Best Fit	Actual /	Expected	Proposed	Actual /
Age	Exposures	Deaths	Exposures	Deaths	Population	Benefits	Deaths	Rate	Expected	Deaths	Rate	Expected	Deaths	Rate	Expected
50-54	97.0	2.0	28.5	0.7	2.062%	2.369%	0.1	0.175%	13.5	0.1	0.281%	8.4	0.1	0.281%	8.4
55-59	890.0	5.0	233.6	1.2	0.562%	0.513%	0.6	0.253%	2.0	0.8	0.355%	1.4	0.8	0.351%	1.5
60-64	3,476.0	21.0	668.1	4.0	0.604%	0.602%	3.1	0.460%	1.3	3.3	0.488%	1.2	3.2	0.483%	1.2
65-69	7,725.0	62.0	1,057.4	6.9	0.803%	0.653%	8.8	0.835%	0.8	7.8	0.735%	0.9	7.7	0.727%	0.9
70-74	5,914.0	76.0	650.1	7.8	1.285%	1.206%	9.3	1.423%	0.8	8.1	1.241%	1.0	8.0	1.229%	1.0
75-79	4,162.0	95.0	342.8	7.1	2.283%	2.063%	8.4	2.436%	0.8	7.7	2.258%	0.9	7.7	2.234%	0.9
80-84	2,787.0	129.0	194.1	9.4	4.629%	4.827%	7.7	3.983%	1.2	8.0	4.123%	1.2	7.9	4.081%	1.2
85-89	1,639.0	124.0	94.9	6.5	7.566%	6.865%	6.4	6.736%	1.0	7.4	7.790%	0.9	7.3	7.716%	0.9
90-94	763.0	114.0	47.4	5.9	14.941%	12.418%	5.4	11.381%	1.1	6.5	13.661%	0.9	6.4	13.535%	0.9
95-99	251.0	61.0	13.8	3.0	24.303%	21.997%	2.4	17.161%	1.3	2.9	20.926%	1.1	2.9	20.709%	1.1
100-104	36.0	11.0	1.9	0.4	30.556%	21.508%	0.4	21.926%	1.0	0.6	30.279%	0.7	0.6	29.757%	0.7
Totals:	**27,740.0**	**700.0**	**3,332.4**	**52.9**	**2.523%**	**1.588%**	**52.4**	**1.574%**	**1.0**	**53.1**	**1.593%**	**1.0**	**52.6**	**1.577%**	**1.0**
Grand Totals:	**46,809.0**	**1,328.0**	**6,763.1**	**134.9**	**2.837%**	**1.994%**	**137.5**	**2.033%**	**9.7**	**135.0**	**1.995%**	**1.0**	**132.1**	**1.953%**	

Expected deaths under the current and proposed assumptions are on a benefit weighted basis.
Post-Retirement mortality experience excludes beneficiary mortality experience.
Best fit assumptions use a scaling factor of 106% for males and 102% for females. Proposed assumptions adjusted for credibility use a scaling factor of 103% for males and 101% for females.

Mortality Assumptions

Graph V(b)



Number of deaths shown on a combined basis for males and females. Separate rates for males and females are applied.

Mortality Assumptions

Table V(c)

Disabled Mortality Experience - All Groups Combined								
	Actual Experience		Current Assumptions		Best Fit Assumptions		Proposed Assumptions Adjusted For Credibility	
Gender	Exposures	Deaths	Expected Deaths	Actual / Expected	Expected Deaths	Actual / Expected	Expected Deaths	Actual / Expected
Male	555.0	36.0	36.1	1.0	35.9	1.0	21.8	1.7
Female	625.0	30.0	26.2	1.1	30.0	1.0	19.8	1.5
Male and Female Grand Total	**1,180.0**	**66.0**	**62.4**	**1.1**	**66.0**	**1.0**	**41.5**	**1.6**

Expected deaths under the current and proposed assumptions are on a count weighted basis.
Best fit assumptions use a scaling factor of 193% for males and 170% for females. Proposed assumptions adjusted for credibility use a scaling factor of 117% for males and 112% for females.

RHIC Participation Assumptions

RHIC Participation Assumption

The plan was changed to no longer require enrollment in the NDPERS health insurance plan in order to receive payments from the RHIC. As a result, beginning with the 2015 actuarial valuation, the prior actuary updated the participation rates to assume 100% of eligible active members would receive RHIC benefits as retirees. Beginning with the 2016 actuarial valuation, GRS (at the direction of NDPERS Staff) included all eligible retirees in the actuarial valuation (including those not enrolled in the NDPERS health insurance plan). The actuarial accrued liability increased from about $129 million as of July 1, 2015, to about $177 million as of July 1, 2016, with about $40 million of the increase attributable to the change to include all eligible retirees in the actuarial valuation (including those not enrolled in the NDPERS health insurance plan). Assuming that 100% of all current and future retirees participate and receive all of the eligible benefits is a conservative assumption.

After performing the actuarial valuations as of July 1, 2016, and July 1, 2017, GRS identified the following issues and recommended that the RHIC assumptions be reviewed to more closely align the assumptions and methods used in the actuarial valuation with the actual experience of the plan:

- There were gains in the actuarial valuation from active members retiring and either not using their RHIC benefits or using less than 100% of their total RHIC benefits
- There were losses in the actuarial valuation from new retirees beginning to receive RHIC benefits that had not been accounted for in the actuarial valuation because they had not retired directly from active status
- There were gains in the actuarial valuation from retired members either not using their RHIC benefits or using less than 100% of their RHIC benefits

Recommended Actuarial Assumptions

Based on analyzing the RHIC data provided by NDPERS, we recommend adopting the following methodology and assumptions. The analysis is based on census data provided by NDPERS Staff for fiscal year ending June 30, 2019.

Note that the following "participation rates" take into account the fact that some members will use 100% of their eligible benefits, some will use less than 100% of their eligible benefits and some will not use any of their eligible benefits.

- For current retired members and beneficiaries eligible to receive an RHIC benefit:
    - If an RHIC benefit is currently being paid (paid benefit amount is greater than zero), assume 100% of the full amount eligible to be paid will be paid annually in the future
    - If an RHIC benefit is eligible to be paid but is not currently being paid (paid benefit amount is equal to zero)
        - If the member is currently under age 65, assume 100% of the full amount eligible to be paid will be paid annually beginning at the attainment of age 65
        - If the member is currently older than age 65, assume no payment will be made in the future

RHIC Participation Assumptions

- For current active members of PERS, Highway Patrolmen's Retirement System and the Defined Contribution Retirement Plan:
    - Assume the following participation rates based on projected age at retirement for those assumed not to elect a refund of pension plan contributions (retirement rates are applicable to members retiring directly from active service and those retiring from terminated vested status). The participation rates are assumed to increase for members once they reach age 65.

Years of Service at Retirement/Termination	Under Age 55	Age 55-64	Age 65+
Less than 5	33.0%	38.5%	55.0%
5-10	42.0%	49.0%	70.0%
10-15	48.0%	56.0%	80.0%
15-20	51.0%	59.5%	85.0%
20-25	54.0%	63.0%	90.0%
25+	54.0%	63.0%	90.0%

- For current terminated vested members, begin including a liability in the actuarial valuation and use the same participation assumptions as those used for active members

RHIC Experience – Members Who Have Used Eligible RHIC Benefits***

			Experience	
Age	Count	Total RHIC Benefit	RHIC Benefit Used	Benefit Used/ Total Benefit
Under 50	13	$ 6,563	$ 4,669	71%
50 - 54	37	41,308	31,350	76%
55 - 59	329	497,676	388,703	78%
60 - 64	925	1,293,224	1,041,149	81%
65 - 69	2,718	3,484,541	3,225,937	93%
70 - 74	2,278	2,831,736	2,722,042	96%
75 - 79	1,516	1,867,049	1,807,557	97%
80 and Over	2,093	2,398,380	2,337,070	97%
Total	9,909	$ 12,420,477	$ 11,558,477	93%

**** Only includes members who are eligible for and have used RHIC benefits (paid amount is greater than 0) in fiscal year 2019.*

RHIC Participation Assumptions

RHIC Experience – All Members with RHIC Benefits*

			Experience			Proposed Assumptions	
Age	Count	Total RHIC Benefit	RHIC Benefit Used	Benefit Used/ Total Benefit		Benefit Used	Benefit Used/ Total Benefit
Under 50	40	$ 22,558	$ 4,669	21%		$ 10,752	48%
50 - 54	72	67,232	31,350	47%		34,303	51%
55 - 59	469	651,857	388,703	60%		401,608	62%
60 - 64	1,361	1,732,390	1,041,149	60%		1,060,191	61%
65 - 69	3,313	3,933,716	3,225,937	82%		3,414,005	87%
70 - 74	2,769	3,150,628	2,722,042	86%		2,723,935	86%
75 - 79	1,827	2,049,571	1,807,557	88%		1,744,891	85%
80 and Over	2,504	2,664,201	2,337,070	88%		2,282,658	86%
Total	12,355	$ 14,272,154	$ 11,558,477	81%		11,672,342	82%
Under 65	1,942	2,474,037	1,465,871	59%		1,506,854	61%
65 and Over	10,413	11,798,117	10,092,606	86%		10,165,489	86%

			Experience			Proposed Assumptions	
Annual RHIC Benefit Amount**	Count	Total RHIC Benefit	RHIC Benefit Used	Benefit Used/ Total Benefit		Benefit Used	Benefit Used/ Total Benefit
$0-$300	1,387	256,124	128,885	50%		133,254	52%
$300-$600	2,131	954,481	612,857	64%		642,007	67%
$600-$900	1,935	1,431,708	1,044,798	73%		1,080,152	75%
$900-$1,200	1,342	1,383,121	1,111,476	80%		1,141,865	83%
$1,200-$1,500	1,364	1,850,930	1,571,170	85%		1,626,176	88%
$1,500 and Over	4,196	8,395,789	7,089,291	84%		7,048,887	84%
Total	12,355	$ 14,272,154	$ 11,558,477	81%		$ 11,672,342	82%

**Includes members who are eligible for RHIC benefits but have not used any (paid amount equals 0) in fiscal year 2019.*
***The RHIC benefit is $5 per month ($60 per year) for each year of service.*

Numbers may not add due to rounding.

Other Assumptions

Decrement Timing

Currently retirements are assumed to occur at the beginning of the plan year and all other decrements (termination, disability and death) are assumed to occur in the middle of the year. Below is a summary of retirements and terminations from active status during plan year ending June 30, 2019 for PERS.

We recommend a change to the decrement timing assumption for retirement and termination to middle of year. Using a middle of the year assumption for all decrements assumes that exits from active service will occur uniformly throughout the year.

	Counts	
Month of Retirement/Termination	**Retirements**	**Terminations**
Jul-18	4	113
Aug-18	52	97
Sep-18	46	169
Oct-18	40	179
Nov-18	42	183
Dec-18	36	170
Jan-19	93	188
Feb-19	52	139
Mar-19	33	123
Apr-19	42	154
May-19	58	166
Jun-19	2	191
Total	500	1,872

SECTION III

COST IMPACT OF ASSUMPTION CHANGES

Cost Impact of Assumption Changes

Main System – Baseline and Impact of Proposed Assumptions Results as of July 1, 2019

	As of July 1, 2019			
	Baseline	**%**	**Proposed Assumptions**	**%**
Actuarial Accrued Liability				
Active Members	$ 2,034,373,998		$ 2,132,389,669	
Inactive Vested and Non-Vested Members	280,428,275		295,706,729	
Retired Members and Beneficiaries	1,821,450,714		1,889,785,792	
Total	4,136,252,987		4,317,882,190	
Actuarial Value of Assets	$ 2,949,967,049		$ 2,949,967,049	
Unfunded Actuarial Accrued Liability	$ 1,186,285,938		$ 1,367,915,141	
Funded Ratio (Actuarial Value of Assets)	71.3%		68.3%	
Annual Gross Normal Cost				
Benefits	$ 126,957,113	(11.41%)	$ 122,917,639	(11.16%)
Expenses of Administration	2,516,644	(0.23%)	2,510,505	(0.22%)
Total	129,473,757	(11.64%)	125,428,144	(11.38%)
Amortization of Unfunded Liability [1]	$ 84,390,285	(7.58%)	$ 95,274,600	(8.65%)
Actuarial Contribution Requirement				
Employer Portion	$ 135,980,074	(12.22%)	$ 143,569,825	(13.03%)
Employee Portion	77,883,968	(7.00%)	77,132,919	(7.00%)
Total	213,864,042	(19.22%)	220,702,744	(20.03%)
Actuarial Contribution	$ 135,980,074	(12.22%)	$ 143,569,825	(13.03%)
Statutory Employer Contribution	79,219,121	(7.12%)	78,455,198	(7.12%)
Statutory Contribution Deficit/(Surplus)	56,760,953	(5.10%)	65,114,627	(5.91%)
Amortization Period from Statutory Rate (Years)	Infinite		Infinite	

[1] *Amortization as a level percentage of payroll over a 20-year open period. Total payroll assumed to increase by 3.75% in baseline and 3.50% in proposed assumption results.*

Cost Impact of Assumption Changes

Judges – Baseline and Impact of Proposed Assumptions Results as of July 1, 2019

	As of July 1, 2019			
	Baseline	%	Proposed Assumptions	%
Actuarial Accrued Liability				
Active Members	$ 17,748,721		$ 20,589,977	
Inactive Vested and Non-Vested Members	850,194		987,374	
Retired Members and Beneficiaries	25,959,966		27,117,782	
Total	44,558,881		48,695,133	
Actuarial Value of Assets	$ 55,189,162		$ 55,189,162	
Unfunded Actuarial Accrued Liability	$ (10,630,281)		$ (6,494,029)	
Funded Ratio (Actuarial Value of Assets)	123.9%		113.3%	
Annual Gross Normal Cost				
Benefits	$ 1,694,780	(19.96%)	$ 1,901,047	(22.61%)
Expenses of Administration	11,671	(0.14%)	11,642	(0.14%)
Total	1,706,451	(20.10%)	1,912,689	(22.75%)
Amortization of Unfunded Liability [1]	$ (786,971)	-(9.27%)	$ (470,910)	-(5.60%)
Actuarial Contribution Requirement				
Employer Portion	$ 240,210	(2.83%)	$ 769,040	(9.15%)
Employee Portion	679,270	(8.00%)	672,739	(8.00%)
Total	919,480	(10.83%)	1,441,779	(17.15%)
Actuarial Contribution	$ 240,210	(2.83%)	$ 769,040	(9.15%)
Statutory Employer Contribution	1,487,602	(17.52%)	1,473,298	(17.52%)
Statutory Contribution Deficit/(Surplus)	(1,247,392)	-(14.69%)	(704,258)	-(8.37%)
Amortization Period from Statutory Rate (Years)	None		None	

[1] *Amortization as a level percentage of payroll over a 20-year open period. Total payroll assumed to increase by 3.25% in baseline and 3.00% in proposed assumption results.*

Cost Impact of Assumption Changes

Public Safety w/ Prior – Baseline and Impact of Proposed Assumptions Results as of July 1, 2019

	As of July 1, 2019			
	Baseline	**%**	**Proposed Assumptions**	**%**
Actuarial Accrued Liability				
Active Members	$ 47,556,825		$ 53,557,939	
Inactive Vested and Non-Vested Members	6,061,540		5,898,165	
Retired Members and Beneficiaries	25,882,817		27,161,237	
Total	79,501,182		86,617,341	
Actuarial Value of Assets	$ 66,812,879		$ 66,812,879	
Unfunded Actuarial Accrued Liability	$ 12,688,303		$ 19,804,462	
Funded Ratio (Actuarial Value of Assets)	84.0%		77.1%	
Annual Gross Normal Cost				
Benefits	$ 5,507,651	(11.54%)	$ 5,684,303	(12.14%)
Expenses of Administration	53,012	(0.11%)	52,883	(0.12%)
Total	5,560,663	(11.65%)	5,737,186	(12.26%)
Amortization of Unfunded Liability [1]	$ 902,623	(1.89%)	$ 1,379,371	(2.95%)
Actuarial Contribution Requirement				
Employer Portion	$ 3,817,846	(8.00%)	$ 4,521,640	(9.67%)
Employee Portion	2,645,440	(5.54%)	2,594,917	(5.54%)
Total	6,463,286	(13.54%)	7,116,557	(15.21%)
Actuarial Contribution	$ 3,817,846	(8.00%)	$ 4,521,640	(9.67%)
Statutory Employer Contribution	4,682,053	(9.81%)	4,592,200	(9.81%)
Statutory Contribution Deficit/(Surplus)	(864,207)	-(1.81%)	(70,560)	-(0.14%)
Amortization Period from Statutory Rate (Years)	6.4		18.6	

[1] *Amortization as a level percentage of payroll over a 20-year open period. Total payroll assumed to increase by 3.75% in baseline and 3.50% in proposed assumption results.*

Cost Impact of Assumption Changes

Public Safety w/o Prior – Baseline and Impact of Proposed Assumptions Results as of July 1, 2019

	As of July 1, 2019			
	Baseline	**%**	**Proposed Assumptions**	**%**
Actuarial Accrued Liability				
Active Members	$ 6,652,393		$ 7,372,009	
Inactive Vested and Non-Vested Members	1,257,372		1,213,648	
Retired Members and Beneficiaries	1,117,150		1,190,144	
Total	9,026,915		9,775,801	
Actuarial Value of Assets	$ 9,912,818		$ 9,912,818	
Unfunded Actuarial Accrued Liability	$ (885,903)		$ (137,017)	
Funded Ratio (Actuarial Value of Assets)	109.8%		101.4%	
Annual Gross Normal Cost				
Benefits	$ 980,005	(12.50%)	$ 1,034,245	(13.44%)
Expenses of Administration	13,260	(0.17%)	13,228	(0.17%)
Total	993,265	(12.67%)	1,047,473	(13.61%)
Amortization of Unfunded Liability [1]	$ (63,022)	-(0.80%)	$ (9,543)	-(0.12%)
Actuarial Contribution Requirement				
Employer Portion	$ 499,195	(6.37%)	$ 614,580	(7.99%)
Employee Portion	431,048	(5.50%)	423,350	(5.50%)
Total	930,243	(11.87%)	1,037,930	(13.49%)
Actuarial Contribution	$ 499,195	(6.37%)	$ 614,580	(7.99%)
Statutory Employer Contribution	621,493	(7.93%)	610,394	(7.93%)
Statutory Contribution Deficit/(Surplus)	(122,298)	-(1.56%)	4,186	(0.06%)
Amortization Period from Statutory Rate (Years)	None		None	

[1] *Amortization as a level percentage of payroll over a 20-year open period. Total payroll assumed to increase by 3.75% in baseline and 3.50% in proposed assumption results.*

Cost Impact of Assumption Changes

PERS Combined Total – Baseline and Impact of Proposed Assumptions Results as of July 1, 2019

	As of July 1, 2019			
	Baseline	%	Proposed Assumptions	%
Actuarial Accrued Liability				
Active Members	$ 2,106,331,937		$ 2,213,909,594	
Inactive Vested and Non-Vested Members	288,597,381		303,805,916	
Retired Members and Beneficiaries	1,874,410,647		1,945,254,955	
Total	4,269,339,965		4,462,970,465	
Actuarial Value of Assets	$ 3,081,881,908		$ 3,081,881,908	
Unfunded Actuarial Accrued Liability	$ 1,187,458,057		$ 1,381,088,557	
Funded Ratio (Actuarial Value of Assets)	72.2%		69.1%	
Annual Gross Normal Cost				
Benefits	$ 135,139,549	(11.48%)	$ 131,537,234	(11.29%)
Expenses of Administration	2,594,587	(0.23%)	2,588,258	(0.22%)
Total	137,734,136	(11.71%)	134,125,492	(11.51%)
Amortization of Unfunded Liability [1]	$ 84,442,915	(7.18%)	$ 96,173,518	(8.26%)
Actuarial Contribution Requirement				
Employer Portion	$ 140,537,325	(11.95%)	$ 149,475,085	(12.83%)
Employee Portion	81,639,726	(6.94%)	80,823,925	(6.94%)
Total	222,177,051	(18.89%)	230,299,010	(19.77%)
Actuarial Contribution	$ 140,537,325	(11.95%)	$ 149,475,085	(12.83%)
Statutory Employer Contribution	86,010,270	(7.31%)	85,131,090	(7.31%)
Statutory Contribution Deficit/(Surplus)	54,527,055	(4.64%)	64,343,995	(5.52%)
Amortization Period from Statutory Rate (Years)	Infinite		Infinite	

[1] *Amortization as a level percentage of payroll over a 20-year open period. Total payroll assumed to increase by 3.75% in baseline (3.25% for Judges) and 3.50% (3.00% for Judges) in proposed assumption results.*

Cost Impact of Assumption Changes

Highway Patrol – Baseline and Impact of Proposed Assumptions Results as of July 1, 2019

	Valuation as of July 1, 2019		Proposed Assumptions as of July 1, 2019	
	Total	% of Payroll	Total	% of Payroll
Actuarial Accrued Liability				
Active Members	$ 40,020,230		$ 43,800,918	
Inactive Members (Vested and Non-Vested)	5,567,673		5,831,516	
Retired Members and Beneficiaries	60,727,127		63,538,863	
Total	106,315,030		113,171,297	
Actuarial Value of Assets	$ 80,902,296		$ 80,902,296	
Unfunded Actuarial Accrued Liability	$ 25,412,734		$ 32,269,001	
Funded Ratio (Actuarial Value of Assets)	76.1%		71.5%	
Annual Gross Normal Cost				
Benefits	$ 2,877,493	(25.97%)	$ 2,937,655	(26.81%)
Expenses of Administration	44,644	(0.40%)	44,535	(0.40%)
Total	2,922,137	(26.37%)	2,982,190	(27.21%)
Amortization of Unfunded Liability [1]	$ 1,807,817	(16.31%)	$ 2,247,520	(20.51%)
Annual Contribution Requirement:				
Employer Portion	$ 3,256,102	(29.38%)	$ 3,772,231	(34.42%)
Employee Portion	1,473,852	(13.30%)	1,457,479	(13.30%)
Total	4,729,954	(42.68%)	5,229,710	(47.72%)
Actuarial Contribution	$ 3,256,102	(29.38%)	$ 3,772,231	(34.42%)
Statutory Employer Contribution	2,183,074	(19.70%)	2,158,823	(19.70%)
Statutory Contribution Deficit/(Surplus)	1,073,028	(9.68%)	1,613,408	(14.72%)
Amortization Period from Statutory Rate (Years)	Infinite		Infinite	

[1] *Amortization as a level percentage of payroll over a 20-year open period. Total payroll assumed to increase by 3.75% in valuation results and 3.50% in proposed assumption results.*

Cost Impact of Assumption Changes

Job Service – Baseline and Impact of Proposed Assumptions Results as of July 1, 2019

	Valuation as of July 1, 2019		Proposed Assumptions as of July 1, 2019	
	Total	**% of Payroll****	**Total**	**% of Payroll****
Present Value of Future Benefits				
Active Members	$ 6,237,910		$ 6,413,410	
Terminated Vested Members	16,059		16,605	
Retired Members and Beneficiaries	60,045,675		60,674,392	
Total	66,299,644		67,104,407	
Actuarial Value of Assets	$ 97,808,420		$ 97,808,420	
Outstanding Frozen Initial Liability	$ -		$ -	
Unfunded Present Value of Future Benefits	$ (31,508,776)		$ (30,704,013)	
Funded Ratio (Actuarial Value of Assets)	147.5%		145.8%	
Annual Gross Normal Cost				
Benefits	$ -		$ -	
Expenses of Administration	17,228		17,186	
Total	17,228		17,186	
Actuarial Contribution Requirement				
Employer Portion	$ -	(0.00%)	$ -	(0.00%)
Employee Portion	14,029	(7.00%)	22,181	(7.00%)
Total	14,029	(7.00%)	22,181	(7.00%)

*** Rates are calculated as a percentage of projected annual compensation.*

Cost Impact of Assumption Changes

RHIC – Baseline and Impact of Proposed Assumptions Results as of July 1, 2019

	Valuation as of July 1, 2019		Proposed Assumptions as of July 1, 2019 - Without RHIC Participation Rate Change		Proposed Assumptions as of July 1, 2019 - With RHIC Participation Rate Change	
	Total	% of Payroll[1]	Total	% of Payroll[1]	Total	% of Payroll[1]
Active Members						
Number	23,997		23,997		23,997	
Average Age	46.0		46.0		46.0	
Average Years of Benefit Service	9.5		9.5		9.5	
Average Years of Vesting Service	9.6		9.6		9.6	
Total Payroll	$ 1,115,857,588		$ 1,115,857,588		$ 1,115,857,588	
Projected Annual Compensation	1,195,324,602		1,183,324,896		1,183,324,896	
Terminated Vested Members						
Retired Members and Beneficiaries						
Number	12,471		12,471		12,471	
Total Annualized Benefits	$ 14,636,639		$ 14,636,639		$ 12,667,348	
Total Membership	36,468		36,468		36,468	
Actuarial Accrued Liability						
Active Members	$ 75,264,086		$ 87,058,644		$ 74,826,994	
Terminated Vested Members					14,235,589	
Retired Members and Beneficiaries	142,566,938		150,114,345		132,232,182	
Total	217,831,024		237,172,989		221,294,765	
Actuarial Value of Assets	137,601,769		137,601,769		137,601,769	
Unfunded Actuarial Accrued Liability	80,229,255		99,571,220		83,692,996	
Funded Ratio (Actuarial Value of Assets)	63.2%		58.0%		62.2%	
Present Value of Future Benefits (PVFB)	$ 252,665,856		$ 272,612,561		$ 258,143,329	
Present Value of Future Salaries (PVFS)	13,048,569,983		11,915,508,948		11,915,508,948	
Present Value of Future Salaries over 20 Years (PVFS 20 Years)	11,324,430,980		10,559,181,197		10,559,181,197	
Unfunded Present Value of Future Benefits	115,064,087		135,010,792		120,541,560	
Unfunded PVFB/PVFS 20 Years	1.02%		1.28%		1.14%	
Annual Gross Normal Cost						
Benefits	$ 4,041,849	(0.34%)	$ 4,282,011	(0.36%)	$ 4,295,912	(0.36%)
Expenses of Administration	448,283	(0.04%)	447,189	(0.04%)	447,189	(0.04%)
Total	4,490,132	(0.38%)	4,729,200	(0.40%)	4,743,101	(0.40%)
Actuarial Contribution	12,145,328	(1.02%)	15,130,116	(1.28%)	13,508,607	(1.14%)
Statutory Employer Contribution	13,626,700	(1.14%)	13,489,904	(1.14%)	13,489,904	(1.14%)
Statutory Contribution Deficit/(Surplus)	(1,481,372)	-(0.12%)	1,640,212	(0.14%)	18,703	(0.00%)
PVFS to Pay Off Unfunded PVFB Based on Statutory Rate of 1.14%	10,093,340,965		11,843,051,930		10,573,821,053	
Amortization Period from Statutory Rate (Years)	15.0		33.0		20.0	

[1] *Rates are calculated as a percentage of projected annual compensation.*

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Memorandum

TO: NDPERS Board

FROM: Rebecca

DATE: April 14, 2020

SUBJECT: 2019 Annual Report: About the Patient Diabetes Management Program

Jesse Rue from the ND Pharmacy Association will be present at the meeting to provide the Board with the 2019 Annual Report for the About the Patient Diabetes Management Program (Attachment 1).

This will be the first report since the Board approved modifying the enrollment and reimbursement process based upon recommendations from the Pharmacy Association. In addition, Mr. Rue will discuss efforts to provide the NDPERS retiree population with education regarding the importance of diabetic medication adherence at the member's local pharmacy. Attachment 2 is a sample of a retiree communication that is available for pharmacists to use with the retiree population.

Attachment 1

APRIL 2020

ANNUAL REPORT

ABOUT THE PATIENT COLLABORATIVE DIABETES DRUG THERAPY PROGRAM

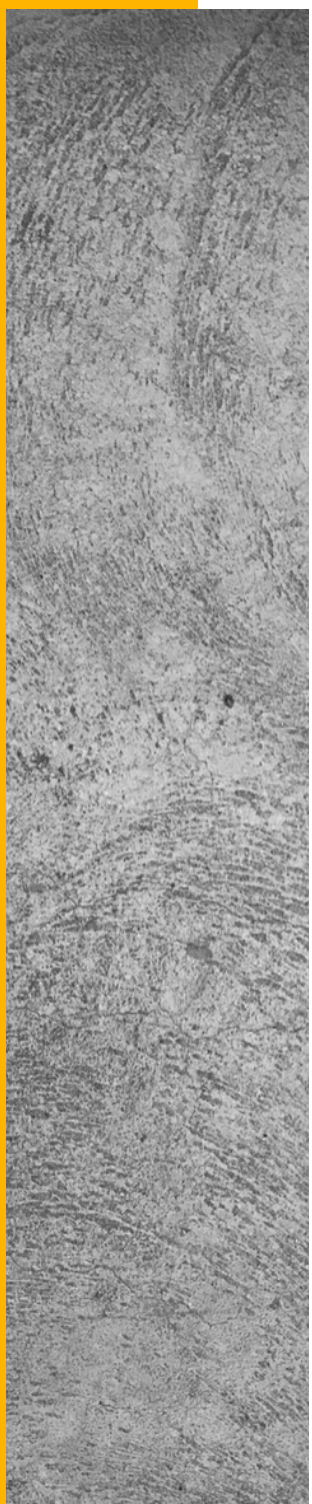
Prepared by: Jesse Rue, PharmD, BCPS

01

PROGRAM DESIGN

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

02



INTRODUCTION

We have summarized key data from 2019. This past year witnessed the transition to a longer-term maintenance and intervention approach given the ongoing nature of diabetes care.

Successes and ongoing challenges are presented for discussion.

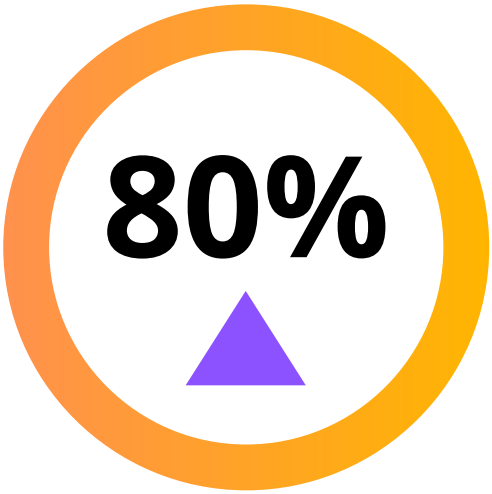
MEMBER SATISFACTION

Member satisfaction remains consistently strong 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 = **5**
The Program Services Overall = **4.9**

03

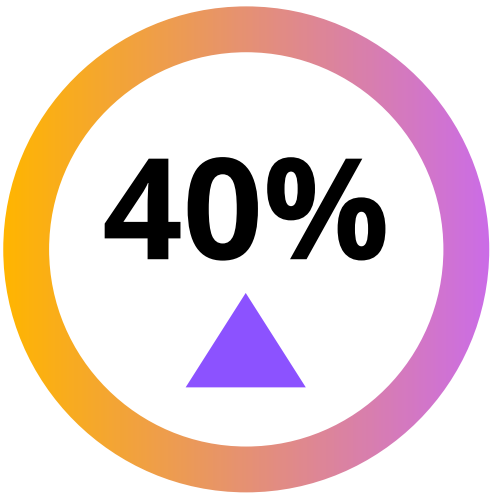


80% Increase in Member Visits

PARTICIPATION

Participation is a top of mind issue. This past year we saw strong gains in member participation in response to Board direction and program design streamlining.

30% Increase in pharmacies completing visits



40% Increase in cities where members completed visits

04

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

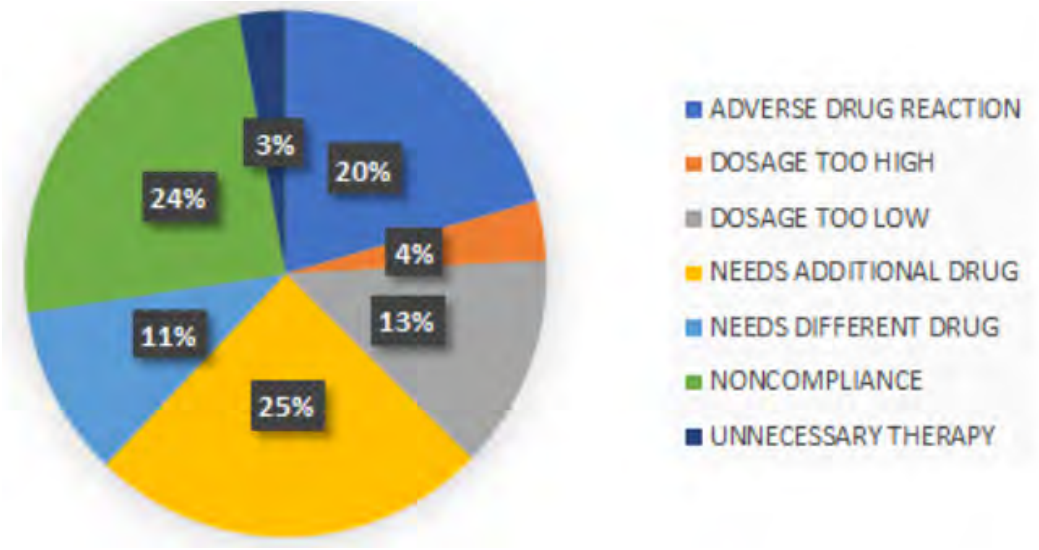
The good news is that large majority of ADEs are preventable. Reducing ADEs is expected to result in safer and higher quality health care services, reduced health care costs, more informed and engaged consumers, and improved health outcomes."

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

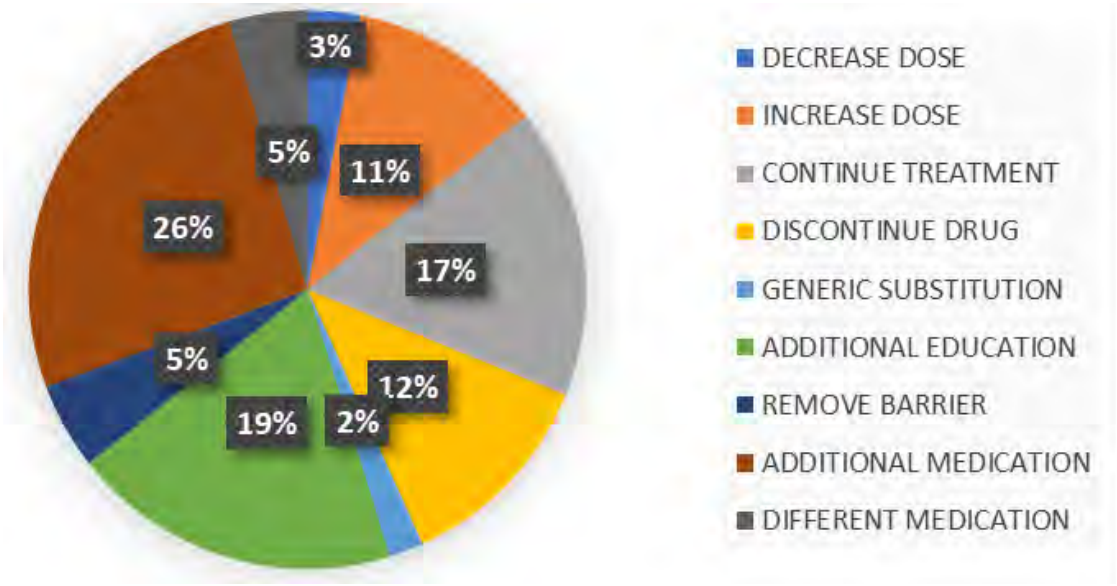
05

INTERVENTIONS MADE

>2 INTERVENTIONS PER MEMBER AVERAGE



RESOLUTION



This remained a source of strength of the program. 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.

0.9

AVG A1C IMPROVEMENT

- A1c is a reflection of average blood glucose over 2-3 months.
- Normal is <5.7%
- Target A1c for patients with diabetes is often <7%

11

AVG SYSTOLIC IMPROVEMENT

- American Diabetes Association 2020 guidelines recommend BP <140/90 mmHg for many patients

06

SUCCESSES

2019 witnessed significant improvements in member participation as evidenced by an 80% increase in visits and care being received in more cities and locations. We're proud of this success but look ahead to more.

Objective success in critical lab markers were also encouraging, demonstrating effectiveness in areas that matter to patients and providers.

NDHIN PARTNERSHIP

NDHIN is the North Dakota Information Network, or state health exchange. Investments have been made to enable providers to draw upon this critical clinical resource for the benefit of NDPERS members. We are proud to report successful pilot of this at several pharmacies and have plans to expand further in 2020.

We are strong believers in strengthening partnerships with state entities.

CHALLENGES

Covid-19 has impacted every industry and this program is included. Social distancing during block 1 presents challenges to build on our momentum. Retiree participation has begun to occur on a small scale through a pilot outreach effort and we commit to this continuing throughout 2020.

Our efforts to build on 2019 momentum and reach retirees will intensify as Covid-19 recedes.

07

BUDGET STATUS

ANNUALIZED BUDGET	2019 BUDGET	2019 ACTUAL
COPAY INCENTIVES	$98,500	$48,000
PROVIDER VISITS	$66,000	$69,920
ADMIN FEE	$10,000	$10,000
MARKETING	$2,500	$0
TOTAL	177,000	$127,920

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.

Estimates received at the time gave confidence that this could be added and stay on target for budget.

We are anticipating mailing recruitment materials after Covid-19 recedes.

08

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.

Medical claim cost impact of improved diabetes control for medicare and commercially insured patients with type 2 diabetes. Fitch et al. J Manag Care Pharm. 2013; 19(8):609-20, 620a-620d (ISSN: 1944-706X)

09

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/statbriefs/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/.

APRIL 2020

Attachment 2

/ PATIENT DISCUSSION GUIDE /

DIABETES OVER 65-- LOW BLOOD SUGAR

4

ABOUT THE PATIENT PROGRAM

WHAT IS LOW BLOOD SUGAR?

IT'S ALSO CALLED HYPOGLYCEMIA

Low blood sugar can happen to anyone, but it's much, much more likely to happen to people with diabetes. Especially if you take insulin!

It happens when the sugar in your blood falls below 70mg/dL. That's too low.

If this happens, take action--it can cause you serious harm or even death!

Together we'll talk through a few keys to remember to keep yourself safe.

WHAT DOES IT FEEL LIKE?

Shakiness. Pale skin. Sweatiness. Racing heart. Cold, clammy skin. Dizziness. Suddenly feeling very hungry. Feeling very crabby, confused, or anxious.

All of these are very common feelings if you get low blood sugar. You can even get restless sleep and nightmares.

It's important to remember that these are not feelings to brush off when you have diabetes.

For your safety you must take immediate action. There is no time to waste.

.

WHAT CAUSES IT?

There are many things that can cause your blood sugar to go too low.

- Taking too much medicine
- Skipping meals
- Eating meals off your regular schedule
- Alcohol, especially without a meal
- More exercise than usual

WHAT SHOULD I DO?

If you feel these symptoms and you have diabetes, it's very important that you **get some sugar into your body right away.**

This is even more important than testing your sugar immediately because it is possible that you can pass out if your sugar gets too low. **When in doubt, get some sugar first before testing.**

If your sugar is low or it is not safe to wait and test, these are good options:

- 1/2 cup of fruit juice or regular soda pop (not diet)
- 4 glucose tablets or glucose gel
- 5 hard candies (not sugar free)

Wait 15 minutes then test. **If your sugar is still below 70, then drink or eat those things again.**

If it's more than a half hour until your next meal, have a snack. If you still don't feel better, get on the phone and call your doctor or 911.

REMEMBER THESE

COMMON SYMPTOMS

Feeling cold, clammy, shaky, anxious, or dizzy are common symptoms.

DON'T TAKE CHANCES

Please remember that low blood sugar is serious. **You can even die from it,** especially if you pass out from it alone.

TRAVEL WITH SNACKS

It's true, if you have diabetes you should always have some sugar on hand--things like sugary candy or peanut butter and crackers so that you can get yourself some sugar when you need it!

LET PEOPLE KNOW

It's important that people know you have diabetes to take care of you if you get into trouble. Wear a medical alert bracelet. Tell your friends and family members so that they will think about low blood sugar and help you if you start to become confused and can't help yourself.

TAKE CONTROL! MANY PEOPLE WITH DIABETES WILL GET LOW BLOOD SUGAR AT LEAST ONCE.

IT'S NOTHING TO BE ASHAMED OF. LEARN THE SIGNS AND WHAT TO DO IN AN EMERGENCY. TEACH OTHERS, TOO.

WE'RE ALL IN THIS TOGETHER.

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Memorandum

TO: NDPERS Board

FROM: Bryan Reinhardt

DATE: April 14, 2020

SUBJECT: IT Risk Assessment

Following NDPERS Board approval at the December meeting, we started work on the IT Risk Assessment with Securance.

Here was the initial project timeline:

September 13, 2019	NDPERS will issue RFP
September 27, 2019	Deadline for RFP questions
October 11, 2019	Answers to RFP questions posted to NDPERS Website
October 28, 2019	RFPs due in our office
December 10, 2019	NDPERS Board selects vendor
January 2, 2020	Work commences
February or March 2020	Report presented to NDPERS Board

NDPERS worked with NDIT to get the assessment information together for Securance in January and into February. Securance was at the NDPERS office February 18th and 19th to plug in and perform scans on the systems.

Securance presented their report to NDPERS Staff on March 9th. Overall, the results were positive with only a few item for NDPERS follow-up. Here is the final report from Securance. They will present their findings to the NDPERS Board.

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

Material for Executive Session:
IT Risk Assessment Results
will be provided under
separate cover.

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Memorandum

TO: NDPERS Board

FROM: MaryJo

DATE: April 14, 2020

SUBJECT: Provider Fiduciary Language Amendment Update

At the February 2020 meeting, the Board reviewed responses from the NDPERS 457 Deferred Compensation providers, with the exception of the Companion Plan and BND, regarding the fiduciary language contract amendment approved by the Board in October 2019. The agreement required investment providers to act as fiduciaries in the best interest of the NDPERS participant when providing services. Of the providers, two companies accepted and five refused the NDPERS amendment as drafted.

At the Board's request, staff have outlined options (Attachment 1), along with a communication plan, for the providers refusing the fiduciary language amendment. Attachment 1 also provides advantages and disadvantages to each option for the Board's consideration.

<u>The Communication to 457 Plan Participants would be as follows:</u>
NDPERS has requested for each of the 457 Deferred Compensation Provider Companies to sign an amendment to the current contract requiring investment providers to act as fiduciaries in the best interest of the participant when providing services. Based upon responses, NDPERS is notifying you of the following provider responses.

Accepted Amendment	**Refused Amendment**
• American Trust Center • Waddell & Reed Financial Services	• AXA Equitable • Jackson National Life • VALIC • Mass Mutual • Nationwide Life

Board Action: Provide guidance to NDPERS staff on 457 Deferred Compensation providers that are non-compliant with fiduciary language amendment (options outlined below):

Option 1 – Terminate Contract
- provider may not receive any new or existing participant contributions

Option 2 – Freeze All Contributions
- provider may not receive any new or existing participant contributions

Option 3 – Freeze New Participants
(4 of 13 providers currently in this status – Commonwealth, ING, Lincoln National, Symetra)
- provider may not enroll any new participants
- provider may continue to receive existing participant contributions

Option 4 – Allow Contributions and New Participants
- provider may receive any new or existing participant contributions

Attachment

Attachment 1

Option 1 – Terminate Contract	**Option 2 – Freeze all contributions**	**Option 3 – Freeze participants**	**Option 4 – Allow all contributions and new participants**
• provider may not receive any new or existing participant contributions	• provider may not receive any new or existing participant contributions	• provider may not enroll any new participants • provider may continue to receive existing participant contributions	• provider may receive any new or existing participant contributions
Advantage • All participants transfer to a provider that meets fiduciary standards • Streamline all enrollment to providers that agree to NDPERS fiduciary standards • Reducing number of providers tends to encourage enrollment, as participants have fewer choices to make when enrolling in the 457 plan • Reduce administrative costs associated with monthly provider reconciliation • Phase out providers immediately	**Advantage** • Participants have the option to transfer to a provider that meets fiduciary standards • Existing participant may elect to leave account intact • Streamline all enrollment to providers that agree to fiduciary standards • Reducing number of providers tends to encourage enrollment, as participants have fewer choices to make when enrolling in the 457 plan • Reduce administrative costs associated with monthly provider reconciliation as members select compliant provider • Phase out providers	**Advantage** • Participants have the option to transfer to a provider that meets fiduciary standards • Existing participant may elect leave account intact • Streamline new enrollment to providers that agree to NDPERS fiduciary standards • Reducing number of providers tends to encourage enrollment, as participants have fewer choices to make when enrolling in the 457 plan • Reduce administrative costs associated with monthly provider reconciliation in future as participants terminate • Phase out providers gradually	**Advantage** • All participants have the option to select any provider • Existing participant may elect leave account intact • Display providers that accept or decline fiduciary responsibility
Disadvantage • Existing participants must take action to setup new account • Existing participant must take action to transfer funds • Participant may incur transfer fees	**Disadvantage** • Participant is must take action to setup new account • Participant may or may not elect to transfer funds to a provider/account that best meets needs • Continue to incur administrative costs associated with monthly provider reconciliation	**Disadvantage** • Existing participants may not take action to stop contributions or transfer funds and claim they were unaware of provider not meeting NDPERS fiduciary standards • Continue to incur administrative costs associated with monthly provider reconciliation	**Disadvantage** • New participants may enroll with provider not meeting fiduciary standards • Existing participants may not take action to stop contributions or transfer funds and claim they were unaware of provider not meeting fiduciary standards • Multiple provider options tend to discourage enrollment, as participants have too many choices and opt not to enroll in the 457 plan

			• Continue to incur administrative costs associated with monthly provider reconciliation • No phase out of multiple providers
Communication Plan • Member Self Service online, website, provider/investment documents, and enrollment forms remove visibility of non-compliant providers for all enrollees • Existing participants will be notified that the provider selected does not meet NDPERS fiduciary standards and a different provider must be selected for future contributions	**Communication Plan** • Member Self Service online, website, provider/investment documents, and enrollment forms remove visibility of non-compliant providers for all enrollees • Existing participants will be notified that the provider selected does not meet NDPERS fiduciary standards and a different provider must be selected for future contributions	**Communication Plan** • Member Self Service online, website, provider/investment documents, and enrollment forms remove visibility of non-compliant providers for new enrollees • Existing participants will be notified that the provider selected does not meet NDPERS fiduciary standards and no action is required but a different provider may or may not be selected for future contributions	**Communication Plan** • Member Self Service online, website, provider/investment documents, and enrollment forms will outline providers accepting or refusing fiduciary standards • Existing participants may continue to contribute to a provider that does not meet fiduciary standards. No action is required but a different provider may be selected for future contributions and/or funds transfer.

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Memorandum

TO: NDPERS Board

FROM: Scott

DATE: April 14, 2020

SUBJECT: Shariah-Compliant Retirement Account

I have been contacted by a retirement plan member who is of the Muslim faith. That person advised me that the Muslim faith forbids both the paying and receipt of interest, which I have confirmed through research.

Participation in the retirement plan does not appear problematic except for the automatic crediting of interest on the member's account. The member has stated that it is her belief, after discussing the situation with people she believes to be experts in the requirements of the Muslim faith, that the accrual of interest on her account is a violation of the prohibition against receiving interest. She agrees that would only be an issue if she elects to take a lump-sum distribution of her retirement account upon termination, rather than taking a retirement benefit.

To completely accommodate her religious situation, we would need to amend the definition of "accumulated contributions" in our administrative rules and have Sagitec do some programming on our PERSLink business system. The programming would allow individuals to opt-out of having interest accrue to their individual accounts. If we were to amend the administrative rules before the next regular change after the next session, it would cost us an additional $2-3,000. Programming changes are estimated to cost around $7,000. Accordingly, the total cost to accommodate the situation as quickly as possible would be around $10,000.

I have reached out to Ice Miller, our outside tax counsel, and the National Association of State Retirement Administrators (NASRA) to see how other systems have approached this situation. The responses I received from NASRA members were that they allow members to decline to receive interest at the end of their careers when they terminate and refund out their accounts. That is consistent with the guidance I received from Ice Miller. None of the

NASRA responses included a change to their business system to allow members to opt-out of having interest accrue on their accounts from the beginning of their participation.

If we were to accommodate the religious objection by allowing members to decline to receive interest at the end of their career when they liquidated their accounts, rather than at the beginning of their career, we would have very little if any programming, and would only have the cost of changing our administrative rules if we chose to do so before our next cycle. Thus, if we waited until after the next session to change our administrative rules to allow members to elect to not receive interest on their accounts, we would incur minimal costs to accommodate the situation.

I gave that option to our member, and she indicated that based on her discussions with her religious advisors, she cannot have control over the interest, and therefore could not have the option at the end of her career to not receive interest. Thus, the question becomes whether we provide an accommodation at little or no cost, or the best accommodation at a cost of about $10,000.

Keep in mind that under the Internal Revenue Code you can use trust assets to pay benefits and reasonable administrative expenses. Right now we only know of three members who practice the Muslim faith. Whether a $10,000 cost is reasonable to accommodate three individuals is a question. The AG's office is reviewing the subject and will be at the Board meeting to provide you with their thoughts.

We have also reached out to TIAA to see about the availability of Shariah-compliant investment options for the 457 and DC plans. They have indicated that there are Shariah-compliant investment options within the brokerage window that are available to participants.

Board Action Requested: Determine how the Board wishes to provide an accommodation for our members' Muslim beliefs.

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Memorandum

TO: NDPERS Board

FROM: Scott

DATE: April 14, 2020

SUBJECT: Required Minimum Distribution Changes

We previously advised you of the change contained within the SECURE Act at the federal level that changed the age at which required minimum distributions must begin. Previously it had been once someone reached age 70 ½, and it has been increased to age 72. We have added this change to our technical corrections bill.

However, we do need to begin administering these changes as soon as possible. NDCC section 54-52-23 provides the following guidance:

> **54-52-23. Savings clause - Plan modifications.** If the board determines that any section of this chapter does not comply with applicable federal statutes or rules, the board shall adopt appropriate terminology with respect to that section as will comply with those federal statutes or rules, subject to the approval of the employee benefits programs committee. Any plan modifications made by the board pursuant to this section are effective until the effective date of any measure enacted by the legislative assembly providing the necessary amendments to this chapter to ensure compliance with the federal statutes or rules.

In our Technical Corrections bill, we have submitted the following proposed changes for consideration by the next Legislative Assembly:

> Subsection 2 of section 39-03.1-11.2 of the North Dakota Century Code is amended and reenacted as follows:
>
> 2. The minimum distribution rules under section 401(a)(9) of the Internal Revenue Code, including the incidental death benefit requirements under

section 401(a)(9)(G), and the regulations issued under that provision to the extent applicable to governmental plans. Accordingly, benefits must be distributed or begin to be distributed no later than a member's required beginning date, and the required minimum distribution rules override any inconsistent provision of this chapter. ~~A~~For a member who attains age seventy and one-half prior to January 1, 2020, the member's required beginning date is April first of the calendar year following the later of the calendar year in which the member attains age seventy and one-half or terminates employment. For a member who attains age seventy and one-half after December 31, 2019, the member's required beginning date is April first of the calendar year following the later of the calendar year in which the member attains age seventy-two or terminates employment.

Subsection 2 of section 54-52-28 of the North Dakota Century Code is amended and reenacted as follows:

2. The minimum distribution rules under section 401(a)(9) of the Internal Revenue Code, including the incidental death benefit requirements under section 401(a)(9)(G), and the regulations issued under that provision to the extent applicable to governmental plans. Accordingly, benefits must be distributed or begin to be distributed no later than a member's required beginning date, and the required minimum distribution rules override any inconsistent provision of this chapter. ~~A~~For a member who attains age seventy and one-half prior to January 1, 2020, the member's required beginning date is April first of the calendar year following the later of the calendar year in which the member attains age seventy and one-half or terminates employment. For a member who attains age seventy and one-half after December 31, 2019, the member's required beginning date is April first of the calendar year following the later of the calendar year in which the member attains age seventy-two or terminates employment.

Subsection 2 of section 54-52.6-21 of the North Dakota Century Code is amended and reenacted as follows:

2. The minimum distribution rules under section 401(a)(9) of the Internal Revenue Code and the regulations issued under that provision to the extent applicable to governmental plans. Accordingly, benefits must be distributed or begin to be distributed no later than a member's required beginning date, and the required minimum distribution rules override any inconsistent provision of this chapter. ~~A~~For a member who attains age seventy and one-half prior to January 1, 2020, the member's required beginning date is April first of the calendar year following the later of the calendar year in which the member attains age seventy and one-half or terminates employment. For a member who attains age seventy and one-half after December 31, 2019, the member's required beginning date is

April first of the calendar year following the later of the calendar year in which the member attains age seventy-two or terminates employment.

Consistent with the changes to federal law and the provisions in NDCC 54-52-23, I would recommend to the Board that it adopt the above language with respect to the age at which required minimum distributions should begin, and request that the Employee Benefits Programs Committee approve the adopted language.

BOARD ACTION REQUESTED: Adopt the above language and direct me to request that the Employee Benefits Programs Committee approve the adopted language at its next meeting.

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Memorandum

TO: NDPERS Board

FROM: Bryan

DATE: April 14, 2020

SUBJECT: NDPERS Health Plan RFP

We are working on the RFP to go out to bid on the health plan this summer. Here is the proposed timeline:

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 Bidders of changes to the proposed timeline.

Activity	Date/Time
NDPERS publishes Request for Proposal (RFP)	June 1, 2020
Bidder Conference*	June 16, 2020 (9am – 11am CST)
Bidder questions (in writing) due	June 18, 2020 (5pm CST)
Proposals due	**Wednesday, July 15, 2020 (5 pm CST)**
Finalist presentations (if requested)	September 2020
NDPERS notifies finalist of intent to negotiate	November 2020
Bidder(s) and NDPERS begin implementation	January 2021
Bidder(s) begins providing services	July 1, 2021

As approved by the NDPERS Board last month, there will be many options for the vendors to submit proposals. The scope of the RFP is detailed in the following:

Request for Proposal (RFP) Requested Scope

This RFP includes seven (7) options to respond:

1. Fully-insured medical and pharmacy proposal (FI+Rx)
2. Self-insured medical and pharmacy proposal (SI+Rx)
3. Fully-insured medical proposal only (FI)
4. Self-insured medical proposal only (SI)
5. Fully-insured pharmacy proposal only (FIRx)
6. Self-insured pharmacy proposal only (SIRx)
7. Stop loss insurance for all self-insured options

Bidders may choose the option(s) they will submit proposals for.

A draft of the RFP document, a majority of the Appendices (including question documents) and Exhibits are included in the Board meeting links.

If you have any changes/suggestions to the RFP documents, please let staff know. We plan to bring the full RFP to the NDPERS Board in May for final approval.

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

Attachment - draft RFP

NORTH DAKOTA
PUBLIC EMPLOYEES
RETIREMENT SYSTEM

Request for Proposal

Group Medical and Prescription Drug Coverage

Release Date: June 1, 2020

Proposals Due:
By 5:00 p.m. CST
July 15, 2020

Key Information

Objective

North Dakota Public Employees Retirement System ("NDPERS") is soliciting proposals for the insurance and/or administration of its employee/retiree medical and prescription drug insurance plan. Proposals will be accepted from administrative/insurance companies ("Bidders") that are capable of offering a statewide provider network, utilization management, disease management, wellness program and pharmacy benefit manager services along with other related services. The contract to be awarded is a multi-year arrangement beginning (July 1, 2021) and ending (June 30, 2023).

This RFP is requesting proposals for both insured and self-insured arrangements. The NDPERS Board will determine which funding approach it will implement based on the results of the RFP (See Section II of this RFP for further detail). See also Appendix C1 (fully-insured medical and pharmacy), Appendix C2 (self-insured medical), and Appendix C3 (self-insured carve-out pharmacy).

Background

NDPERS is responsible for the administration of the State of North Dakota's Retirement, Health, Life, Deferred Compensation, FlexComp, Employee Assistance Program (EAP), Retiree Health Insurance Credit, voluntary Dental and voluntary Vision programs. In addition, cities, counties, schools and other political subdivisions of the state may participate at their option. Approximately 23,000 active employees and 11,000 retirees are eligible to participate in these plans.

NDPERS reserves the right to select the health plan proposals that best fit its needs and the needs of its eligible employees/retirees. NDPERS has retained Deloitte Consulting LLP ("Deloitte Consulting") to assist with the RFP process.

Sanford Health Plan (SHP) currently insures the medical and prescription drug plan under a fully-insured arrangement. OptumRx is Sanford's PBM partner (which transitioned from Express Scripts on January 1, 2019).

In determining which bid, if any, will best serve the interests of eligible employees/retirees and the state, the NDPERS and its Board shall give adequate consideration to the following factors:

1. The economy to be affected.
2. The ease of administration.
3. The adequacy of the coverages.
4. The financial position and experience of the carrier, with special emphasis as to its solvency.
5. The reputation of the carrier and any other information that is available tending to show past experience with the carrier in matters of claim settlement, underwriting, and services.
6. The board may establish a self-insured plan only if it is determined to be in the best interest of the state and the state's eligible employees.
7. Multi-year, guaranteed premium/fees.

The successful bidder of this RFP for fully insured coverage is eligible to have the initial term of this contract extended for two 2-year periods (2023-2025 & 2025-2027) at the option of the NDPERS Board (see Section III in this RFP for renewal conditions).

A self-insured contract (bundled or unbundled with PBM) will be awarded for 2 years with a renewal option for two additional 2-year periods at the option of the NDPERS Board

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 Bidders of changes to the proposed timeline.

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RFP Coordinator Contact

Josh Johnson
Deloitte Consulting LLP
50 South 6th Street
Suite 2800
Minneapolis, MN 55402
jkjohnson@deloitte.com

Note:

From the date of issuance until the announcement of the finalist(s), Bidders may contact only the RFP Coordinator. All correspondence and questions must be submitted in writing via e-mail to the RFP Coordinator in accordance with the timeline set forth in this RFP. NDPERS personnel are not authorized to discuss this RFP with Bidders; doing so may result in disqualification. Bidders may continue to communicate with NDPERS staff regarding other relevant business matters.

*A Bidders' conference will be held in Bismarck on June 16, 2020 at **the North Dakota State Capitol – Fort Union Room from 9:00am – 11:00am** or until all questions have been submitted. Bidders may attend in person or call in to 701-328-7950 Code:108660# the day of the conference. The phone number will be activated at 8:55 a.m. central time. Anyone calling in must identify themselves for everyone in the room. Expenses incurred by bidders to participate in the bidders' conference, either in person or by voice, are the responsibility of the bidder and will, under no circumstances, be reimbursed by NDPERS. Those who elect to participate via teleconference must understand that no accommodation will be made in the event of lost connectivity on their part for poor audio quality, for missed questions asked at the conference, etc. Other than for publishing questions and final answers, no follow-up meeting or broadcast will be made to accommodate or rectify any shortcomings in the teleconference format.

Table of Contents

I. Overview of the NDPERS Program

NDPERS

The 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

Dakota Plan

Currently, NDPERS contracts with Sanford Health Plan ("Sanford" or SHP) to provide fully-insured health care coverage with a risk sharing agreement. From July 1, 1989 to June 30, 2015 the plan was fully insured with BCBS of North Dakota. Prior to July 1, 1989, the program was self-insured. The plans provided pursuant to this fully funded arrangement are:

- PPO/Basic – Grandfathered plan
- PPO/Basic – Non-grandfathered plan
- HDHP/HSA Plan – Non-grandfathered
- Dakota Retiree Plan

PPO

PPO stands for "Preferred Provider Organization" and is a group of hospitals, clinics, and physicians who have agreed to discount their services to members of NDPERS or which the health insurance carrier has so designated. Members have "freedom of choice" in selecting which physician or medical facility to use for services. Because PPO health care providers charge less for medical care services, cost savings are passed on to the members by way of reduced cost sharing amounts. NDPERS is seeking to maintain its current list of PPO providers.

Basic Plan

If a PPO health care provider is not available in the member's area, or if the member chooses or is referred to a health care provider not participating in the Preferred Provider Organization, the member will receive the Basic Plan benefits.

High Deductible Health Plan (HDHP)

In addition to the PPO / Basic Plans, NDPERS offers state employees the option to enroll in a high-deductible health plan (HDHP) with a Health Savings Account (HSA). The HDHP/HSA option has a higher annual deductible and coinsurance costs for medical services. However, the higher out-of-pocket costs are partially offset by an employer

contribution to the HSA. For the 7/1/19-6/30/21 contract period the NDPERS monthly HSA contributions are: $88.34 for single coverage and $213.76 for family coverage.

In addition, the NDPERS Board has approved the option for large political subdivisions to join the HDHP and for the plan to be the only choice for their employees. However, NDPERS does not administer a HSA on behalf of the political subdivisions. In addition, the election to participate must be made by November 15 prior to the January 1 effective date and must be for the full calendar year. As of the date of RFP issuance, there are currently not any large political subdivisions participating in the HDHP.

Value-Based Health Care Overlay

NDPERS started a value-based health care arrangement with several large health care providers in North Dakota. See Exhibit 27 for more information on the program

Coverage Rules: When Coverage Begins & Eligibility

An eligible employee is entitled to coverage the first of the month following the month of employment, provided the employee submits an application for coverage within the first 31 days of employment. Each eligible employee may elect to enroll his/her eligible dependents.

Eligible employees include:

- State employees or employees of participating Political Subdivisions first employed prior to August 1, 2013 who are at least eighteen (18) years of age and whose services are not limited in duration, who are filling an approved and regularly funded position, and who are employed at least 17 and one-half hours per week and at least five months each year;

- State employees or employees of participating Political Subdivisions first employed after August 1, 2013, who are employed at least twenty (20) hours per week and at least twenty weeks each year of employment are eligible to receive benefits; and

- A temporary employee employed before August 1, 2007, may elect to participate in the uniform group insurance program by completing the necessary enrollment forms and qualifying under the medical underwriting requirements of the program if such election is made before January 1, 2015, and if the temporary employee is participating in the uniform group insurance program on January 1, 2015. In order for a temporary employee employed after July 31, 2007, to qualify to participate in the uniform group insurance program, the employee must be employed at least twenty hours per week; must be employed at least twenty weeks each year of employment; must make the election to participate before January 1, 2015; and must be participating in the uniform group insurance program as of January 1, 2015. To be eligible to participate in the uniform group insurance program, a temporary employee first employed after December 31, 2014, or any temporary employee not participating in the uniform group insurance program as of January 1, 2015, must meet the definition of a full-time employee under section 4980H(c)(4) of the Internal Revenue Code [26 U.S.C. 4980H(c)(4)].

An Eligible Dependent includes:

1) The Spouse of the Subscriber;
2) A Dependent Child who is related to the Subscriber as a natural child, a child placed for adoption, a legally adopted child, a child for whom the Subscriber has legal guardianship, a stepchild, or a foster child; and is one of the following: (a) under the age of twenty-six (26), (b) incapable of self-sustaining employment by reason of a disabling condition and chiefly dependent upon the Certificate holder/Subscriber for support and maintenance. If the Plan so requests, the Subscriber must provide proof of the child's disability within thirty-one (31) days of the Plan's request. If a person has a disabled dependent that is over the limiting age but was never previously covered by the Plan, they are eligible for coverage if the disability occurred prior to reaching the limiting age of 26. If for any reason, Subscriber drops coverage for a disabled dependent prior to age 26, then wishes to cover the child again, coverage must be added prior to the child turning age 26. If the disabled child has reached age 26, the child must be continuously covered under the Plan in order to maintain eligibility; and
3) A Dependent of Dependent (a) Is the natural child of the Subscriber's Dependent child, a child placed with the Subscriber's Dependent Child for adoption, a legally adopted child by the Subscriber's Dependent child, a child for whom the Subscriber's Dependent Child has legal guardianship, a stepchild of the Subscriber's Dependent child, or foster child of the Subscriber's Dependent child. These same definitions apply to dependents of the Dependent child(ren) of the Subscriber's living, covered Spouse; and (b) the Subscriber's Dependent Child must be a Covered Dependent under this Certificate of Coverage for the dependent of the Dependent Child to be eligible; and (c) The Dependent Child must be chiefly dependent on the Subscriber for support [N.D.C.C. §26.1-36-22 (3)(4)].

Detailed information regarding current eligibility for dependents for the Dakota Plan can be found in the 2019-2021 Certificate of Insurance at:

https://ndpers.nd.gov/image/cache/shp-coi-gf.pdf

Pre-Medicare Retiree Eligibility

Prior to July 1, 2015, retirees or surviving spouses who are under age 65 and are receiving a retirement allowance from the Public Employees Retirement System, the Highway Patrol Retirement System, the Teachers Insurance and Annuity Association College Retirement Equities Fund (TIAA), the Job Service Retirement Plan, the Teachers' Fund for Retirement (TFFR), or retirees who have accepted a retirement allowance from a participating political subdivision's retirement plan were eligible for benefits. In addition, former legislators are also eligible for this coverage.

Effective July 1, 2015, all new pre-Medicare retirees after that date are eligible for COBRA coverage as long as the retiree was participating in the health plan as an active employee prior to retirement. The pre-Medicare plan is no longer available to retirees who received their first retirement payment on or after July 1, 2015. Pre-Medicare retirees who retired before that date will continue to be eligible and may participate. Former legislators continue to remain eligible.

The pre-Medicare retiree single rate is 150% of the active member single rate; the rate for a

pre-Medicare retiree plus one is twice the pre-Medicare single rate, and the rate for a pre-Medicare retiree plus two or more dependents is two and one-half times the pre-Medicare retiree single rate.

The NDPERS Board can elect to open the Pre-Medicare Retiree eligibility to retirees after July 1, 2015. However, ND law requires that the premium to be charged must be based on the experience of the population and not based on the rates outlined above. At this time, the Board has opted not to re-open the Pre-Medicare Retiree plan.

Dakota Retiree Plan

The Dakota Retiree Plan provides health care coverage as a secondary payer to Medicare. Coverage for Medicare retirees is different than the coverage for Pre-Medicare retirees. The NDPERS Medicare retiree plan mirrors Medicare supplement Plan F. Each eligible retiree may elect to enroll his/her eligible dependents as described in the *Eligibility* section above. The prescription drug benefit for retirees is provided through a group Prescription Drug Plan (PDP/EGWP) on a calendar year basis and is not part of this RFP.

Detailed information regarding current eligibility for dependents for the Dakota Plan can be found in the Certificate of Insurance at: https://ndpers.nd.gov/image/cache/shp-coi-retiree.pdf

Pharmacy Benefit Manager

Currently, the prescription drug plan coverage for active and pre-Medicare retirees is bundled with the medical plan provided by Sanford Health Plan, which provides the core pharmacy benefit functions and services through OptumRx. These services include claims processing, pharmacy network development/maintenance, drug formulary design, clinical program management, mail service, and specialty pharmacy. In responding to this RFP, PBM services may be offered as a bundled proposal with the medical insurance for fully-insured or self-insured, or it may be offered as an unbundled (carve-out), fully-insured or self-insured option directly by the PBM.

Data Warehouse

NDPERS maintains a health care data warehouse. The medical records and related data of the employees, retirees, and dependents, obtained as the result of enrollment in the uniform group insurance program, are the property of NDPERS (North Dakota Century Code § 54-52.1-12). Currently, the health plan provides raw data, including detailed claims and enrollment data sets, based on a mutually agreed upon format no less than monthly for the data warehouse repository. All vendors are required to submit claims and enrollment data in an agreed upon format.

Reporting Requirements

All monthly reports should be prepared for each plan offered (e.g., Grandfathered PPO, Non-Grandfathered PPO, HDHP, etc.) and should also roll up to quarterly and annual aggregate reports. NDPERS requires vendors to provide reporting which includes, but is not limited to, the following.

1. Monthly enrollment counts by plan. (Exhibit E18)

2. Yearly breakdown, by plan of membership, high dollar cases, claims, medical charges submitted, ineligible charges, provider discounts, COB savings, copayments, deductibles and coinsurance paid by participants, RX and specialty spending and payment trend, and final paid claims. (Exhibit E5)

3. Annual policy accounting statement including claim reserves.

4. Quarterly summary to include financial/trend analysis, membership and health utilization summary, high dollar claims, prescription drug spending and payment trend, health management and wellness program key indicators, performance standards and guarantee measures and accounting of completed and other ongoing activities such as smoking cessation, the about the patient program, and healthy pregnancy program. (Exhibit E4)

5. Monthly experience report including paid claims, administration fees, etc. A sample of the current monthly report is included as (Exhibit E6), however NDPERS understands that a monthly report format will include different data under a self-insured contract.

Each Vendor must:

1. Provide NDPERS with claims-specific data on a monthly basis by secure download, or other agreed upon medium. This information shall be in a format acceptable to NDPERS and subject to all federal and state laws on confidentiality and open records.

2. Carry over any cost share and accumulator amounts incurred from January 1 to June 30, of the prior contract period. In addition, any wellness incentive balances will be carried over.

3. Provide Biennial close-out report

4. Annual ACA-required reporting.

5. Provide support services to other NDPERS health program activities

In addition to the above plan-wide reporting, the successful Bidder will provide plan-specific reporting as requested for the following:

- PPO/Basic – grandfathered plan
- PPO/Basic – Non-grandfathered plan
- HDHP/HSA Plan – Non-grandfathered
- Dakota Retiree Plan

- Also please note NDCC § 54-52.1-12, which applies to all information the Vendors acquire relating to NDPERS.

Funding/ Risk Sharing

Currently NDPERS contracts with Sanford Health Plan to provide its health care coverage on a fully-insured basis with a risk sharing arrangement. Sanford Health Plan maintains full liability for incurred claims in excess of paid premium (no deficit carryover). If incurred claims plus expenses are less than premiums paid plus interest, NDPERS and the carrier share 50/50 in the

first $3 million in gains and thereafter all gains are returned to NDPERS. All funds in the account get interest paid each month equal to 1.75%. NDPERS recognizes that different funding arrangements will be necessary to implement a self-insured program.

Performance Standards and Guarantees

The current health plan administrator adheres to agreed-upon performance standards and guarantees with a financial incentive/forfeiture component that is negotiated each biennium as part of the renewal process. The settlement/payment for such incentive/forfeiture is included in the annual settlement process. See Appendix H for a copy of these performance standards and guarantees. NDPERS is interested in replicating or enhancing these standards in a future contract. It is a priority for the Board to have a comprehensive set of standards and guarantees relating to this plan.

Current Annual Settlement and Reconciliation

Within 31 days of 12 months after the end of the biennium, NDPERS requires an accounting summary which will result in an initial settlement of the biennium agreement. Within 31 days of 24 months after the end of the biennium a final accounting summary is required, which will result in a final settlement of the biennium agreement. NDPERS recognizes that different settlement arrangements will be necessary to implement a self-insured program.

Current and Desired Plan Designs

In addition to matching the current coverage provisions, as noted below, the successful Bidder shall include adding any federally required coverage provisions on or after July 1, 2021. For details, refer to the following:

Dakota Plan:

PPO/Basic – Grandfathered Plan https://ndpers.nd.gov/image/cache/shp-coi-gf.pdf

PPO/Basic – Non-Grandfathered Plan https://ndpers.nd.gov/image/cache/shp-coi-ngf.pdf

HDHP/HSA – Non-Grandfathered Plan https://ndpers.nd.gov/image/cache/shp-coi-hdhp.pdf

Please note NDPERS is requesting that the proposer also provide a HSA product as part of this proposal for the HDHP product

Dakota Retiree Plan https://ndpers.nd.gov/image/cache/shp-coi-retiree.pdf

Member Access

Members have “freedom of choice” in selecting which physician or medical facility to use for services. PPO benefits are currently available with a PPO-participating provider within North Dakota or its contiguous counties. If a PPO health care provider is not available in the member’s area, or if the member chooses or is referred to a health care provider not participating in the PPO, the member will receive the Basic Plan benefits. The copayments, annual deductibles and coinsurance amounts vary between the PPO Plan and Basic Plan.

Directory

The current provider directory is available through the Sanford Health Plan website at: https://www3.viiad.com/shp/public/. Bidders must be able to provide a comparable network to the existing provider networks to provide appropriate access on a statewide basis.

Disease and Other Health Management Programs

Currently, Sanford Health Plan provides disease management and health improvement programs for eligible members. The list below includes examples of programs currently offered:

- Coronary Heart Disease
- Diabetes
- Hypertension
- Immunizations
- ADHD
- Colorectal Cancer
- Asthma

Bidders are expected to offer comprehensive, high quality case/disease management programs, including rare and chronic diseases, for the plans offered to both actives and retirees.

Wellness Programs

Partnering with the successful Bidder, NDPERS participates in and offers a variety of wellness programs for eligible members and employers. The list below provides more details on some of the programs currently offered:

Wellness Program Employee Incentives:

- Covered employees and/or spouses are each eligible to receive up to $250 in incentives per year through participation. All covered retirees and/or spouses are also eligible for this incentive. Each participant must complete an annual health risk assessment through the Vendor's online wellness tool. Two programs are currently available to achieve the $250 benefit (See Exhibit 17). The programs are:

  1) Online Wellness Tool (Platform used by current Vendor is StayWell) – participants utilize the online wellness tool to take steps towards better health goals, including tracking activity and performing challenges to receive points for their participation. The points are then redeemed towards various gift cards or fitness related prizes - see Exhibit 1.

  2) Fitness Center Reimbursement – participants who utilize a health club facility 12 days per month will be reimbursed $20 per month towards their membership fee - see Exhibit 2.

Employer Based Wellness Program:

- The employer-based wellness program provides that employers who do not have an onsite wellness program pay premiums to NDPERS that are 1% higher. These funds are retained by NDPERS for administration. The program is given its authority in NDCC § 54-52.1-14. The goals for the program are to:

  - have 100% of our employers supporting a wellness message at their worksite
  - have our members get a greater understanding of wellness
  - create a better quality of life for our membership
  - contain health care costs

- Employers that participate in the NDPERS Group Health Insurance Plan have the opportunity to enroll in the employer-based wellness program on an annual basis. For the wellness year July 1, 2019 to June 30, 2020, there are 191 of 240 employers participating. The wellness plan year is from July 1 to June 30. See the following for more details:

https://ndpers.nd.gov/employers/employer-resources/employer-based-wellness/

Employer Based Wellness Benefit Funding Program:

The NDPERS Wellness Benefit Funding Program is available to employer groups that participate in the NDPERS group health plan and have been approved for the Employer Based Wellness Discount Program. The Wellness Funding Program, in conjunction with the Wellness Discount Program, encourages employers to commit to promoting wellness planning and programming at their work sites. The funding program provides funding assistance to employers that develop and sponsor onsite wellness programs for their employees. Benefits are available to eligible employers once each fiscal year of the biennium. For details, visit https://ndpers.nd.gov/employers/employer-resources/employer-based-wellness/ The successful Bidder will administer the reimbursement program to employers. NDPERS will deposit with the vendor necessary funds for paying such reimbursements as approved by NDPERS.

Additional Wellness Related Services & Programs:

- **Wellness Consultants** – the Vendor must provide a dedicated staff member(s) to assist employees and employers with their wellness initiatives. Examples of services provided include:

To members:

- Assist with online wellness tool issues and questions.
- Assist with Fitness Center Reimbursement issues.
- Develop various challenges for participants to do through online wellness tool.
- Monthly wellness newsletter.
- Health coaching
- Annual notice to retirees regarding amount of taxable benefits

To employers:

- Conduct monthly coordinator calls/webinars with employer wellness coordinators. – see Exhibit 15
- Prepare and distribute a monthly wellness newsletter for coordinators. – see Exhibit 14
- Prepare monthly wellness newsletter for employees –See Exhibit 13
- Conduct coordinator workshops each summer across state for wellness coordinators to attend. – see Exhibit 19
- Coordinate the awarding of up to 12,000 points (towards $250 maximum) on the online tool for an employee's participation in the employer sponsored wellness program activities. – see Exhibit 11
- Coordinate and promote Walk at Work Day – see Exhibit 12
- Monthly files regarding employee wellness redemptions for tax reporting purposes.

Member Education Presentations on Wellness Topics – The current Vendor provides 2-3 member education consultants that travel statewide to worksites and conduct presentations for employees on various wellness related topics. In addition, an additional wellness consultant is available to assist with member and/or employer issues related to the online wellness tool and employer funding request evaluations. There are currently 16 different topics provided. See Exhibit 16 for an example.

Added Value Programs:

- Tobacco Cessation – All currently covered state employees and their dependents age 18 and older are eligible to participate. The program provides telephone counseling and up to $700 in expenses including up to $200 for a participant's office visit and co-pays and $500 every six months for FDA-approved medications. See the following website for further details: https://www.sanfordhealthplan.org/ndpers/tobacco-cessation-program . This is a collaboration between the current vendor, the ND Department of Health and NDPERS.
- Healthy Pregnancy Program – a program designed to provide support to pregnant members. See https://www.sanfordhealthplan.org/ndpers/healthy-pregnancy-program for details.
- Diabetes Management – The About the Patient diabetes program is offered to covered members that are diabetic to support drug adherence. The program is coordinated with the ND Pharmacy Association. See https://www.aboutthepatient.net/patients/diabetes-info/ndpers-program-info/ for details.
- Diabetes Prevention Program (DPP) – The NDPERS Board approved the DPP pilot in 2018 and the program is being offered in the larger population cities of Bismarck, Fargo, Grand Forks, Dickinson, Jamestown and Minot twice per biennium. The purpose of the program is to encourage healthy lifestyles for members at risk of developing diabetes. SHP has also launched an online DPP platform to allow members to participate remotely. The platform is through Omada.

Other Administrative Services – See Contract Exhibits for details

The successful vendor will also need to perform the following administrative services:

- Make payments for the NDPERS Tobacco Cessation Program https://www.sanfordhealthplan.org/ndpers/tobacco-cessation-program
- Make payment for the NDPERS About the Patients diabetes program. See https://www.aboutthepatient.net/patients/diabetes-info/ndpers-program-info/

  for details.
- Make payments for the NDPERS Wellness Funding Program. – see https://ndpers.nd.gov/employers/employer-resources/employer-based-wellness/wellness-benefit-funding-program/ for details.

Employee Assistance Program (EAP)

The mission of the Employee Assistance Program (EAP) is to provide confidential, accessible counseling and referral services to individual employees in order to restore and strengthen the health and productivity of employees and the workplace. The EAP is available to employees and their immediate family members. For more information regarding the current EAP, refer to the website: https://ndpers.nd.gov/active-members/insurance-plans/employee-assistance-program-eap/

The selected Bidder(s) are expected to cooperate as needed to ensure seamless administration and member service. NDPERS is not seeking proposals for this service as part of this RFP.

Enrollment/Premium Administration

NDPERS will submit enrollments, billing and/or premium remittance via a centralized electronic system. NDPERS will collect enrollment/eligibility information which will be provided to the successful Bidder on a data file that follows the HIPAA 834 file specifications. The indicative data provided on the 834 enrollment/eligibility file is to be loaded onto the successful Bidder's data base and used for ID cards and all transactions/communications related to the member's participation in the plan. Premium payment information will be provided on a data file that follows the HIPAA 820 file specifications. Files will be transmitted using a secure file transmission process. The successful Bidder must be able to receive this data in that format and media.

COBRA Administration

NDPERS provides COBRA continuation for terminated/retired employees in compliance with federal regulations. NDPERS administers this program. The selected Bidder(s) are expected to cooperate as needed to ensure seamless administration and member service. NDPERS is not seeking proposals for this service as part of this RFP.

Workers' Compensation Program

If benefits or compensation are available, in whole or in part, under provisions of a state workers' compensation act, laws of the United States or any state or political subdivision thereof, the benefits under the Dakota Plan will be reduced by and coordinated with such benefits or compensation available.

COBRA Notification

Upon enrollment under the NDPERS Benefit Plan, the successful Bidder will provide written notice to covered employees and their covered spouses of their applicable continuation rights pursuant to the Consolidated Omnibus Budget Reconciliation Act ("COBRA") or under State law pursuant to NDCC §26.1-36-23, if applicable.

Out-of-Area Coverage

If a member receives care from a non-participating health care provider within the state of North Dakota, benefit payments are reduced by a certain percentage and the member is responsible for the payment reduction. If a member receives care from a non-participating health care provider outside the state of North Dakota, the allowance for covered services will be an amount within a general range of payments made and judged to be reasonable by the Vendor. The benefits available under the Dakota Plan and Dakota Retiree Plan are also available to members traveling or living outside of the United States (subject to certain requirements such as preauthorization and prior approval). Detailed information regarding eligibility and out of area benefit levels can be found in the 2019-2021 Summary of Benefits at https://ndpers.nd.gov/image/cache/shp-coi-gf.pdf

Annual Enrollment

Dakota Plan annual open enrollment typically takes place in October/November of each year. Employees may enroll in coverage or make changes in coverage during this period. Annual open enrollment is not applicable to Pre-Medicare or Medicare retirees.

Current and Historical Monthly Rates and Employee Contributions

The contributions for single or family coverage for state employees are currently paid at 100% by the State, although this practice may change in the future. Please note that for the state, a single composite rate is used instead of the single/family rate. The contributions for employees of participating political subdivisions are at the discretion of the subdivision and subject to the minimum contribution requirements of NDPERS. The contributions for temporary employees are either at their own expense or their employer may pay any portion of the premium subject to its budget authority.

In the case of a temporary employee who is an applicable taxpayer as defined in section 36B(c)(1)(A) of the Internal Revenue Code [26 U.S.C. 36B(c)(1)(A)], the temporary employee's required contribution for medical and hospital benefits self-only coverage may not exceed the maximum employee required contribution specified under section 36B(c)(2)(C) of the Internal Revenue Code [26 U.S.C. 36B(c)(2)(C)], and the employer shall pay any difference between the maximum employee required contribution for medical and hospital benefits for self-only coverage and the cost of the premiums in effect for this coverage.

The chart in Exhibit E20 shows the current total monthly rates billed and paid to the Vendor for NDPERS members.

Age/Gender Statistics

Appendix E – Item 1 displays a breakdown of the member counts by age and gender for the period of XX - XX.

Contract Count

Appendix E – Item 2 displays a breakdown of the contract counts by month and cost category for the period of XX - XX.

Member Count

Appendix E – Item 3 displays a breakdown of the member counts by month and cost category for the period of XX - XX.

Claims Volume

Appendix E – Item 4 displays a breakdown of the total claims transactions by month and cost category for the period of XX - XX.

Claims Dollars

Appendix E – Item 5 displays a breakdown of the total claims plan paid dollars by month and cost category for the period of XX - XX .

Large Claim History

Appendix E – Item 6 displays a high level summary of unique members with plan paid dollars in excess of $100,000 for the periods XX - XX and XX – XX.

Contracts by Zip Code

Appendix E – Item 7 displays a breakdown of the contract counts by residence zip code for the period June 2018.

II. RFP Objectives and Vendor Responsibilities

RFP Objectives

North Dakota Public Employees Retirement System ("NDPERS") is soliciting proposals for the insurance and/or administration of its employee/retiree medical and prescription drug insurance plan. Proposals will be accepted from administrative/insurance companies ("Bidders") that are capable of offering a statewide provider network, utilization management, disease management, wellness program and pharmacy benefit manager services along with other related services. The contract to be awarded is a multi-year arrangement beginning (July 1, 2021) and ending (June 30, 2023).

The board may establish a self-insured plan only if it is determined to be in the best interest of the state and the state's eligible employees.

Vendor Responsibilities

The selected vendor must demonstrate the ability to develop and manage a health care provider network, provide claims processing services, utilization management, medical management, disease management, wellness program, dedicated account service and support, dedicated member/customer service, data/management reporting, billing, appeals process and other administrative services. Vendors should also adjudicate and resolve Medicare Secondary Payer demands (see Exhibit E8).

In addition, Vendors are expected to conduct ongoing performance review meetings with NDPERS regarding plan financial performance, provider contracting issues, progress related to network goals and new network development, patient satisfaction, new or emerging legal issues, and other relevant and timely operational issues that may affect the plan. Vendors are to identify actions to enhance that performance.

Additional details regarding expected health plan administrator duties can be found in Appendix G. Vendors must review these sections carefully to identify how you would provide current contract benefits and what contracting provisions you could agree to, while maintaining the minimum requirements specified in Section III – Proposal Content outlined below. A sample ASA must be included with the proposal in Appendix E3. Specific responses are needed for the analysis of "equivalent contract benefits". In addition the board will consider other information.

The proposed effective date of the program is July 1, 2021. Vendors will have the opportunity to demonstrate capabilities in these areas by responding to the questionnaires provided in this RFP and potentially with additional finalist questions and presentations.

Request for Proposal (RFP) Requested Scope

This RFP includes seven (7) options to respond:

1. Fully-insured medical and pharmacy proposal (FI+Rx)
2. Self-insured medical and pharmacy proposal (SI+Rx)
3. Fully-insured medical proposal only (FI)
4. Self-insured medical proposal only (SI)
5. Fully-insured pharmacy proposal only (FIRx)
6. Self-insured pharmacy proposal only (SIRx)
7. Stop loss insurance for all self-insured options

Bidders may choose the option(s) they will submit proposals for.

Special Self Insurance Requirements for a self-insured Plan

The last legislative session passed the following provisions relating to oversight of the North Dakota Insurance Commissioner over 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 26.1- 36 -46

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

Pharmacy Benefit Manager (PBM) requirement

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.

The requirements are:

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*
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.*

PBM Transparency Preference

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.*

III. Proposal Content

Refer to Section IV., Proposal Submission, for instructions and additional information regarding proposal format and content.

Proposal Contents

By submission of a proposal, Bidder warrants that the information provided is true, correct and reliable for purposes of evaluation for potential contract award. The submission of inaccurate or misleading information may be grounds for disqualification from the award. The contents of the proposal and any subsequent clarifications submitted by the successful proposers will become part of the contractual obligation and incorporated by reference into the ensuing contract.

By submitting your proposal, you agree:

- Proposals submitted in response to this request will be considered the only submission; revised proposals will not be allowed after the proposal return date and time unless requested by NDPERS or approved by the NDPERS Board.
- All proposals answer all applicable questions fully in the attached questionnaire(s).
- All proposals become the property of NDPERS and will not be returned to the offering Bidder. Also, all information provided is a public record under North Dakota law unless specifically exempted by law.
- You are prepared to make finalist presentations and allow site visits.

Term of Contract

The North Dakota Public Employees Retirement System is governed by North Dakota State statutes, which includes a requirement to solicit bids for medical benefits coverage for a specified term for a fully-insured arrangement and every other biennium for an Administrative Services arrangement. NDPERS has determined that the specified term for providing such hospital and medical/prescription drug benefits under a self-insured arrangement shall be for a 2-year period with the option to renew for an additional two 2-year periods.

For the fully-insured bid it is the intent of NDPERS to contract for a 2-year period with the option to renew for an additional two 2-year periods.

Pursuant to North Dakota law a renewal of a self-insured or fully insured contract(s) will be subject to the following:

a. *The board may renew a contract subject to this subsection without soliciting a bid under section 54-52.1-04 if the board determines the carrier's performance under the existing contract meets the board's expectations and the proposed premium renewal amount does not exceed the board's expectations.*
b. *In making a determination under this subsection, the board shall:*

(1) *Use the services of a consultant to concurrently and independently prepare a renewal estimate the board shall consider in determining the reasonableness of the proposed premium renewal amount.*
(2) *Review the carrier's performance measures, including payment accuracy, claim processing time, member service center metrics, wellness or other special program participation levels, and any other measures the board determines relevant to making the determination and shall consider these measures in determining the board's satisfaction with the carrier's performance.*
(3) *Consider any additional information the board determines relevant to making the determination.*

c. *If the board determines the carrier's performance under the existing contract does not meet the board's expectations or the proposed premium renewal amount exceeds the board's expectations and the board determines to solicit a bid under section 54-52.1-04, the board shall specify its reasons for the determination to solicit a bid.*

If the plan is awarded as a self-insured or fully-insured plan pursuant to this RFP, NDPERS and the successful Bidder(s) may renegotiate the existing contract during the interim biennium without resorting to a formal bidding process. If NDPERS and the successful Bidder(s) are unable to reach an agreement during renegotiations, a formal bidding process will be initiated. Negotiations will begin in June and end in September in the year before the end of the biennium.

Response Check List

This RFP offers 7 ways to offer services which are:

1. Fully-insured medical and pharmacy proposal (FI+Rx)
2. Self-insured medical and pharmacy proposal (SI+Rx)
3. Fully-insured medical proposal (FI)
4. Self-insured medical proposal (SI)
5. Fully-insured pharmacy proposal (FIRx)
6. Self-insured pharmacy proposal (SIRx)
7. Stop loss insurance for all self-insured options

The following table indicates those areas of the RFP which need to be responded to for each of the above areas of service:

	Proposed Services:						
Required Response Exhibits:	**1. Fully Insured Medical & Rx**	**2. Self-insured Medical & Rx**	**3. Fully-Insured Medical Only**	**4. Self-insured Medical Only**	**5. Fully-Insured Rx**	**6. Self-Insured Rx**	**7. Stop Loss**
Transmittal Letter	x	x	x	x	x	x	x
Executive Summary	x	x	x	x	x	x	
B-Response Template	x	x	x	x	x	x	x
C1 – Fully-Insured Questionnaire	x		x		x		
C2 - Self-insured Questionnaire (Medical)		x		x			
C3 – Self-insured Questionnaire (Pharmacy)		x			x	x	
D1 - Fully-Insured Cost Proposal	x		x		x		
D2 - Self-insured Medical Cost Proposal		x		x			
D3 – Self-Insured Pharmacy Cost Proposal		x				x	
D4 – Stop Loss Cost Proposal							x
E1 – Medical Network Access	x	x	x	x			
E2 - Network & Formulary Match	x	x			x	x	
E3 – Medical ASA Contract		x		x			
E4 – Pharmacy Contract		x				x	
F - Deviations	x	x	x	x	x	x	x
G - Services to be performed	x	x	x	x	x	x	
I - Suggested changes	x	x	x	x	x	x	
J - Confidential Information	x	x	x	x	x	x	x

Minimum Requirements

Minimum requirements are in the response template in Appendix B; please review and respond as part of your submission.

IV. Proposal Review and Evaluation

Rights of NDPERS

This RFP does not obligate NDPERS to complete the proposed project. NDPERS reserves the right to cancel the solicitation if it is considered to be in its best interest. Costs incurred for developing a proposal are the sole responsibility of the Bidder. NDPERS also reserves the right to:

1. Reject any and all proposals received in response to this RFP.
2. Amend and re-issue this RFP.
3. Select proposals for contract award or for negotiations other than those with the lowest cost.
4. Consider a late modification of a proposal if the proposal itself was submitted on time, if the modifications were requested by the State, and if the modifications make the terms of the proposal more favorable to the State.
5. Determine that a deficiency is not substantive and waive the deficiency as immaterial. However, waiver of the deficiency shall in no way modify the RFP documents or relieve the Bidder from full compliance with the terms of the contract if the Bidder is awarded the contract.
6. Negotiate any aspect of the proposal with any Bidder and negotiate with more than one Bidder at the same time.
7. Use any or all ideas presented in any proposal received in response to this RFP, unless the Bidder presents a positive statement of objection in the proposal. Objections will be considered as valid only relative to proprietary information of the Bidder and so designated in the proposal. Exceptions to this are ideas that were known to NDPERS before submission of such proposal or properly became known to NDPERS thereafter through other sources or through acceptance of the proposal.

Selection Team

A review team made up of NDPERS staff and its hired consultant will evaluate all proposals. The NDPERS Board will make the final decision on the award. NDPERS reserves the right to alter the composition of this selection team and its responsibilities.

Proposal Review and Evaluation Criteria

Proposals will initially be reviewed and evaluated by staff and the consultant(s). The cost proposal will be reviewed independently to ensure that it is complete and submitted in the format requested. In reviewing the proposals, the requirements in NDCC § 54-52.1-04 will be considered.

Phase I – Preliminary Review Criteria

Proposals will initially be evaluated to determine if they comply with the following review criteria:

- Completeness of proposal, including minimum Bidder requirements, as outlined in Appendix B, Proposal Content, and submitted in the format designated in the RFP.
- Completeness and quality of responses to questionnaire(s) provided.
- Extensive statewide provider networks which provides access to key population areas within the State.

Phase II – Evaluation Criteria

Proposals that have met the review criteria listed above will then be reviewed based on the following factors.

- **Competitive Overall Cost**
  NDPERS intends to continue to provide its employees and retirees with comprehensive health care that is affordable and competitive. NDPERS is especially interested in stabilizing and controlling costs and increases to both the employer and employees. To accomplish this, it is interested in competitive premium arrangements, administrative and program fees, and competitive provider reimbursement arrangements for the duration of the biennium contract.
- **Full Disclosure of Prescription Drug Financials**
  Bidders may offer pharmacy benefit proposals based on “traditional-spread” contract arrangements, “pass-through” contract arrangements, or both. Under either arrangement, Bidders are expected to comply with North Dakota Century Code statutes that define disclosures and audit rights. Proposals that do not comply with the statutes may be considered by the board based upon the measures and actions described by the Bidder to comply as fully as practicable.
- **Plan Design**
  NDPERS is interested in maintaining the existing plan design. Any plan design parameters that cannot be duplicated must be clearly noted in your proposal in Appendix F – Deviations.
- **Comparable Statewide Provider Network/PPO Network and out-of-state network.**
  NDPERS is interested in the following:
  - A network of in- and out-of-state providers for the Basic and PPO plans that is commensurate with the existing network
  - Broad network in terms of the number (%), breadth, quality and location of network providers, with the goal of matching as closely as possible the current provider networks and geographic access. **If a new Bidder is selected they must at a minimum maintain the existing network for the first year of the contract and utilize that time to negotiate with any provider outside the network.**
  - Limited doctor/patient disruption – NDPERS is interested in limiting the disruption employees may experience in the event of a change in vendors. (see Appendix E1 & E2)

- Access to preferred providers outside the local geographic service area (national).
- Ability of the Bidder to negotiate NDPERS-specific contracts.
- The ability to match or exceed existing discount levels
- Commitment to pay for performance and other cost and quality initiatives.
- The ability provide a value based purchasing program similar or comparable the existing program

- **Disease and Other Care Management Programs**

  NDPERS wishes to continue to offer disease management, care management and care support programs as part of the overall health care program, and is interested in exploring innovative, positive incentives for participation in these programs. Bidders must demonstrate their ability to report and provide meaningful, interpretive data to better support the disease and other care management programs.

- **Health Improvement, Education and Wellness Programs**

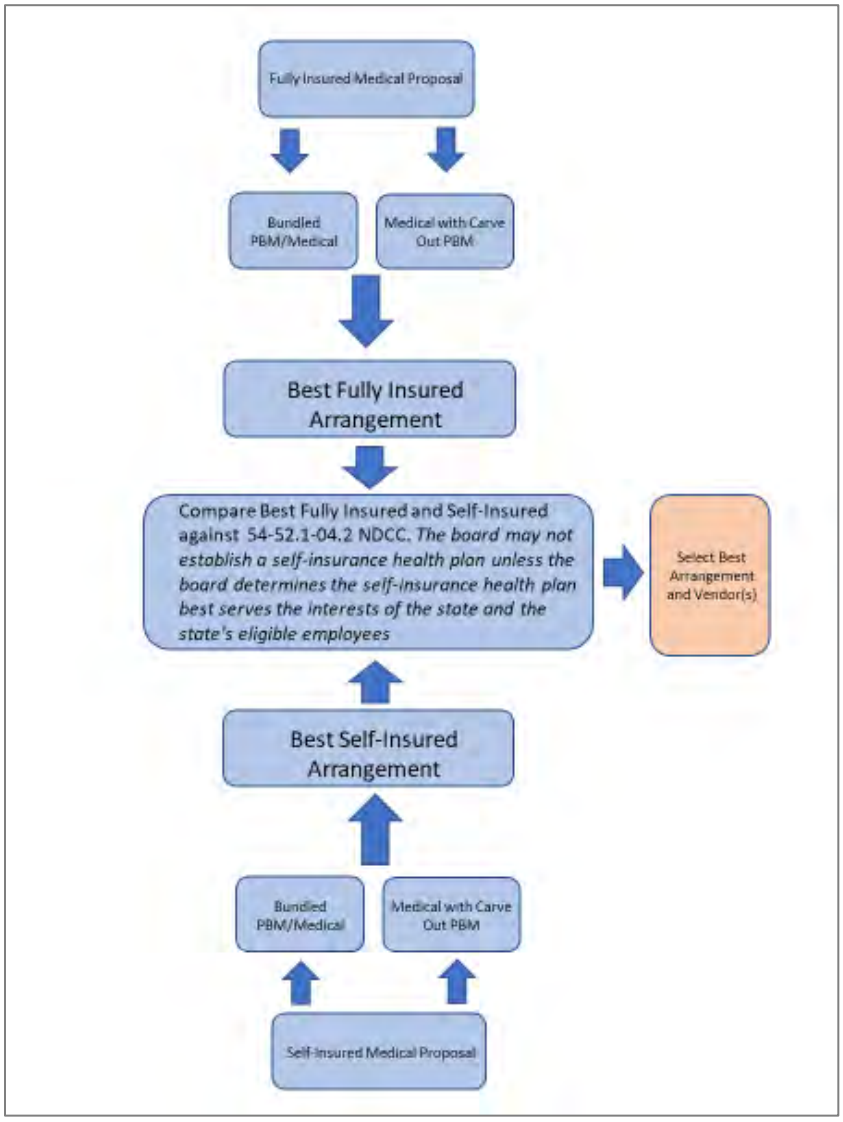
  NDPERS is interested in partnering with the successful Bidder to offer the same or similar program that is already a part of NDPERS. Our existing program also links to the NDPERS employer-based wellness program and this should also be supported. NDPERS also wishes to maintain a dedicated wellness staff member with the successful Bidder who will work with our worksite wellness coordinators. The successful Bidder must provide this resource.

- **Retiree Medicare Coverage**

  Match the existing coverage and arrangement and the ability to provide new coverage levels as determined from the Special legislative study presently being conducted.

Insurance Arrangement Evaluation

1. NDPERS will concurrently review the fully-insured and self-insured proposals.
2. The merits of the highest scored fully-insured proposal and the highest scored self-insured proposal will be evaluated to determine which best serves the interest of the State and the State's eligible members.
3. The board will make an award to the bidder that presents the highest overall value as determined by the NDPERS Board.



Phase III. Board Evaluation and Decision

1. The Board will review the staff/consultant(s) evaluation of proposals.
2. The Board may elect to interview the proposers.
3. The Board may also consider additional information.
4. The Board will make the final decision on the award of the contract.

V. Proposal Submission

Instructions

All proposals should be submitted simply and economically providing a direct, concise delineation of the Bidder's proposal and qualifications adhering to the proposal format guidelines outlined below. Bidders should also refer to Appendix B for a list of minimum requirements and general requirements.

- Proposals should be typed or printed on 8.5" x 11" paper.
- All proposals must include a transmittal letter/statement which includes the following:
  - An acknowledgement of receipt of the group health RFP specifications and any addenda and a statement that the proposal conforms to the RFP minimum requirements. This letter must include the title and signature of a Duly Authorized Officer of the company. As noted above, any deviations from the specifications must be clearly noted in your proposal. Failure to note deviations may exclude the proposal from further consideration.
- All proposals must include a table of contents and follow the required content and order listed below.
- All pages of proposals must have consecutive page numbers.
- Proposals must respond to RFP minimum requirements (Appendix B).
- Responses to questions must include a restatement of the question (number and text as identified in the RFP) 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". Insured rates and/or Administrative fees and/or pharmacy rates and/or stop loss premiums quoted must be all-inclusive. NDPERS will not be billed any additional amounts for services, including commissions or brokerage fees.
- NDCC § 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 under separate cover. 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. Deviations and exceptions are discussed in Appendix F and the template therein must be followed.

Proposal Submission and Contact Information

Proposals should be submitted in two parts, with the cost proposal separately from the qualitative proposal (which should include all other proposal content). Late proposals will not be considered unless approved by the Board. Proposals will be sent to two parties, as described below:

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

Bryan Reinhardt
Research & Planning
North Dakota PERS
400 East Broadway
Suite 505
Bismarck, ND 58502

A full electronic copy of the ***qualitative proposal*** and ***cost proposal*** must be emailed to Deloitte Consulting. Alternatively, the electronic proposal files can be saved to flash drive and shipped. All appendices provided in Microsoft Word or Excel with the RFP must be provided along with your proposal in Word or Excel.

Josh Johnson
Senior Manager
Deloitte Consulting LLP
50 South 6th Street
Suite 2800
Minneapolis, MN 55402
jkjohnson@deloitte.com

***PLEASE NOTE*:** As indicated above, cost proposals should only be submitted to Deloitte Consulting.

From the date of issuance until the announcement of the finalist, Bidders should only contact the Deloitte RFP coordinator, Josh Johnson. 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 Bidder; doing so may result in disqualification. Bidders may continue to communicate with NDPERS staff regarding other relevant business matters.

Step 4: Earn Your Incentive

>> Online

You can earn points toward your $250 wellness benefit by completing the following online activities:

- Health Assessment
- Sessions
- 3 Challenges
  - Steps
  - Fruits & Vegetables
  - Strength
- 4 trackers
  - Latest Weight
  - Low Calorie Snacks
  - Cups of Water
  - Aerobic Exercise

>> At Your Doctor

Use the online portal to tell us about your health and dental appointments, and confirm you're a part of the following programs to earn more points:

- Tobacco Cessation
- Healthy Pregnancy
- About the Patient Diabetes Management

>> At Work

Participate in workplace events led by your site's Wellness Coordinator to receive voucher points toward your $250.

>> At the Gym

The Fitness Center Reimbursement program counts toward your $250 incentive. Go to the gym 12 times a month and receive reimbursement for your membership fee, up to $20 a month.

>> On the Move

Sync your wearable fitness device or download the mobile app to earn points while you're on the go. Search "My StayWell" in Google Play or the Apple Store to download.

Step 5: Redeem Points

Redeem your $250 benefit in the Redemption Center by 11:59 p.m. on December 31. Find this under the Insurance tab, then Portals and Links, in your *my*SanfordHealthPlan account. You can redeem a maximum of 25,000 points (or $250) each year.

Exhibit 1

Your Guide to the Dakota Wellness Program

NORTH DAKOTA PUBLIC EMPLOYEES RETIREMENT SYSTEM

SANFORD HEALTH PLAN

You and your covered spouse are eligible to participate in the Dakota Wellness Program. Each of you can earn a $250 wellness benefit ($500 per household).

Step 1: Let's Get Started

Log into your account at sanfordhealthplan.com/memberlogin. (Forgot username and password options are available, if necessary.) If you do not have an account, select the "Request Access for Yourself" button.

Under the Insurance tab, click Portals and Links, then select Wellness Portal.

Step 2: Take Your Health Assessment

The first time you access the wellness portal, you will take a health assessment. A health assessment is required each year if you wish to redeem your $250 benefit or receive fitness center reimbursements.

Step 3: Take A Tour

Features

Many features are available to support you on your individual wellness journey. Take a look at the options found in the top menu.

Sessions

Learn about new health and wellness topics each month

Vitals

Monitor changes in your weight, blood pressure, lab results, and more

Challenges

Compete against co-workers by logging your steps, strength, and fruits and veggies

My Team & My Community

Support your co-workers on their health journey by sharing encouragement and even some friendly competition

Resources

Find inspiration for new workouts and recipes, plus view important documents related to the Dakota Wellness Program

For questions about the Dakota Wellness Program, contact **(800) 499-3416** or **NDPERSwellness@sanfordhealthplan.com**

SANFORD HEALTH PLAN

Exhibit 2

Fitness Center Reimbursement

Frequently Asked Questions

The Fitness Center Reimbursement program provides up to $20 monthly reimbursement when you use your fitness center at least 12 days per month.

How do I get started?

The fitness center reimbursement form is paperless. You can enroll and manage your account all online. To enroll for the first time, have your Sanford Health Plan member ID card and banking information on hand.

1. Go to NIHCArewards.org and click "First Time Enrollment." Select Sanford Health Plan from the drop down menu.
2. Search for your fitness center location by zip code. Select your center and click "Enroll Online." If your gym does not appear in the search results, try increasing the search radius.
3. Agree to the terms of service, and then enter your contact, health plan and banking information.
4. Click "Submit" and you are enrolled.

How and when will I be reimbursed?

Most participants receive an automatic deposit into a bank account on or around the 21st of the following month. There is a monthly maximum reimbursement of $40 per household (insured employee and spouse).

What if my gym's fees are less than $20 per month?

You will receive reimbursement for the amount you actually pay for gym membership per month.

My gym has multiple locations. Can I work out at any location and have it counted toward my 12 workouts per month?

You must choose one home fitness location. Only the location you enrolled with will count toward your monthly credit.

What if I don't receive my reimbursement?

You can view the status of your reimbursement in your account a *NIHCArewards.org*. If there was an error that needs to be resubmitted, contact your fitness center. For assistance with other errors, contact Sanford Health Plan at (844) 742-0014. All errors must be resolved by February 8 of the following year. It is your responsibility to ensure your gym visits are recorded correctly and payments are received.

What if I terminate my gym membership?

If you voluntarily cancel your fitness center membership or become delinquent in your membership dues, you will not be eligible for reimbursements. If you move your gym membership to a new facility, log on to *NIHCArewards.org* and select your new gym to continue receiving reimbursements.

For other questions regarding fitness center reimbursements, contact Sanford Health Plan at **(844) 742-0014.**

The Fitness Center Reimbursement program may not be available to all members. Check with your employer to find out if this program is included in your employee benefits.

The IRS considers reimbursements received through this benefit as taxable income. Talk to your employer about how this tax will be administered.

SANFORD HEALTH PLAN

Exhibit 3

17.0261.01000

FISCAL NOTE
Requested by Legislative Council
01/16/2017

Revised
Bill/Resolution No.: HB 1434

1 A. **State fiscal effect:** *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	2015-2017 Biennium		2017-2019 Biennium		2019-2021 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues	$0	$0	$0	$0	$0	$0
Expenditures	$0	$0	$0	$0	$397,675	$325,866
Appropriations	$0	$0	$0	$0	$397,675	$325,866

1 B. **County, city, school district and township fiscal effect:** *Identify the fiscal effect on the appropriate political subdivision.*

	2015-2017 Biennium	2017-2019 Biennium	2019-2021 Biennium
Counties	$0	$0	$104,220
Cities	$0	$0	$87,075
School Districts	$0	$0	$52,920
Townships	$0	$0	$0

2 A. **Bill and fiscal impact summary:** *Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).*

The bill provides health plan coverage for autism disorders.

B. **Fiscal impact sections:** *Identify and provide a brief description of the sections of the measure which have fiscal impact. Include any assumptions and comments relevant to the analysis.*

Sanford Health Plan estimates a $1.875 per contract per month premium impact from this bill. Their estimate is based on analysis done on other similar mandates in other states.

3. **State fiscal effect detail:** *For information shown under state fiscal effect in 1A, please:*

A. **Revenues:** *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

N/A

B. **Expenditures:** *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

Based on the executive budget FTE count, the additional premium required for the autism coverage would be $723,541 for the biennium ($397,675 general funds and $325,866 other funds).

C. **Appropriations:** *Explain the appropriation amounts. Provide detail, when appropriate, for each agency and fund affected. Explain the relationship between the amounts shown for expenditures and appropriations. Indicate whether the appropriation or a part of the appropriation is included in the executive budget or relates to a continuing appropriation.*

As proposed this bill would become effective on August 1, since it is not a mandate. The first health plan contract for PERS after this date would be for the 2019-2021 biennium. Therefore these provisions would not be effective for the PERS plan until that time. Consequently, there would be no fiscal effect in this year.

Exhibit 4

NDPERS Executive Summary

Quarter 3 | 2019

Presented February 2020

NORTH DAKOTA PUBLIC EMPLOYEES RETIREMENT SYSTEM | SANFORD HEALTH PLAN

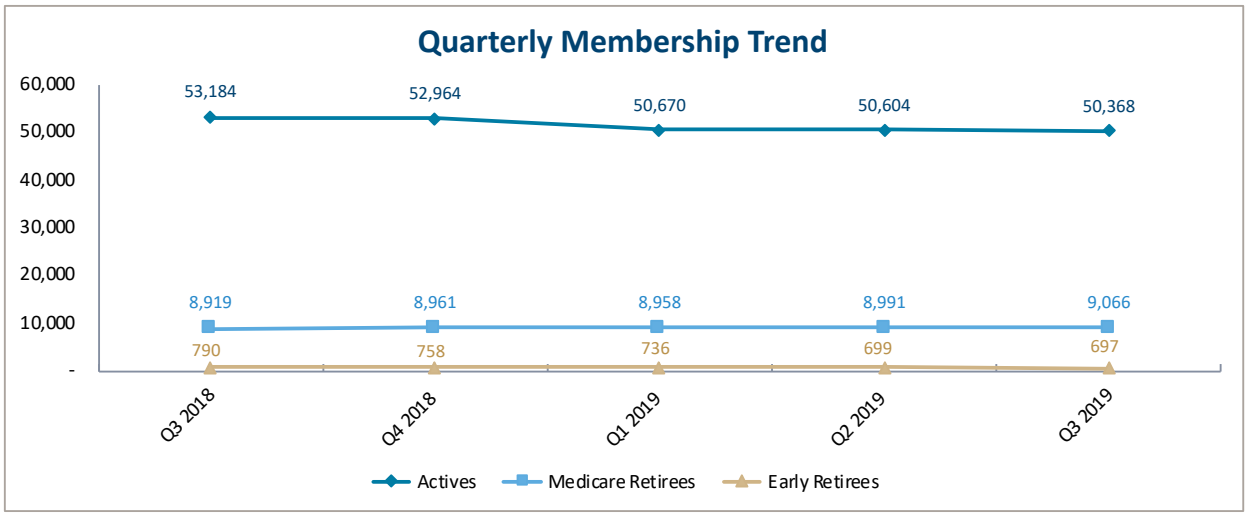
CONTENTS

ANNUAL MEMBERSHIP SUMMARY

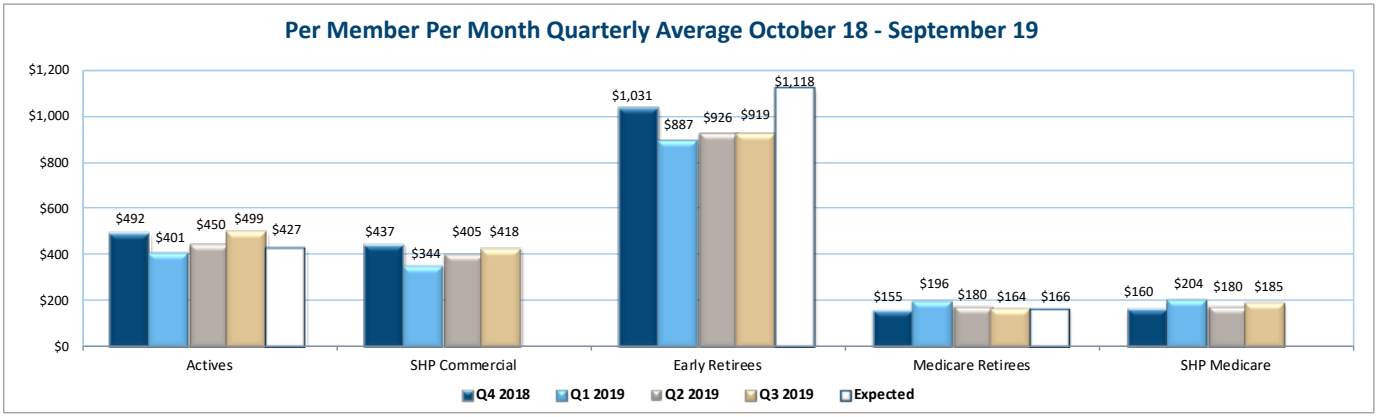
Summary

MEMBERSHIP COMPARISON						PERCENT CHANGE
	Q3 2018	Q4 2018	Q1 2019	Q2 2019	Q3 2019	Q3 2018 – Q3 2019
Actives	53,184	52,964	50,670	50,604	50,368	-5.3%
Medicare Retirees	8,919	8,961	8,958	8,991	9,066	1.7%
Early Retirees	790	758	736	699	697	-11.8%

MEMBERSHIP TREND



PMPM SUMMARY

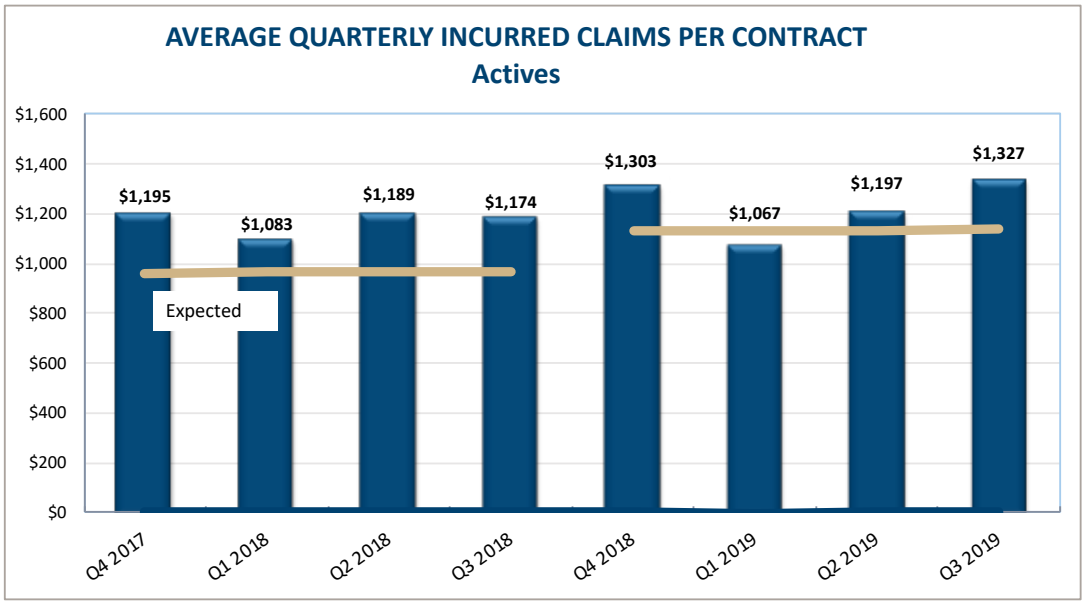


*Incurred between October 1, 2018 and September 30, 2019 and paid through November 30, 2019. Includes IBNR for October 2018 and September 2019, as of November 30, 2019.

*Medicare Retirees PMPM excludes prescription drug coverage (Medicare Part D).

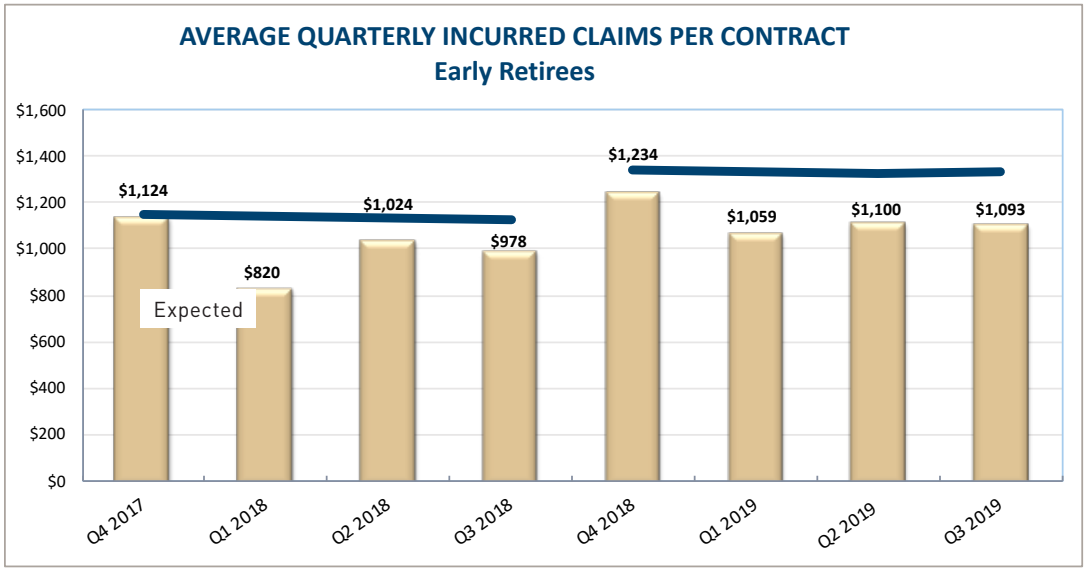
Claims Analysis

PAID CLAIMS PER CONTRACT PER MONTH



*Incurred between October 1, 2017 and September 30, 2019 and paid through November 30, 2019. Includes IBNR for October 2017 through September 2019, as of November 30, 2019.

*NDPERS Active contracts have approximately 2.62 members per contract.

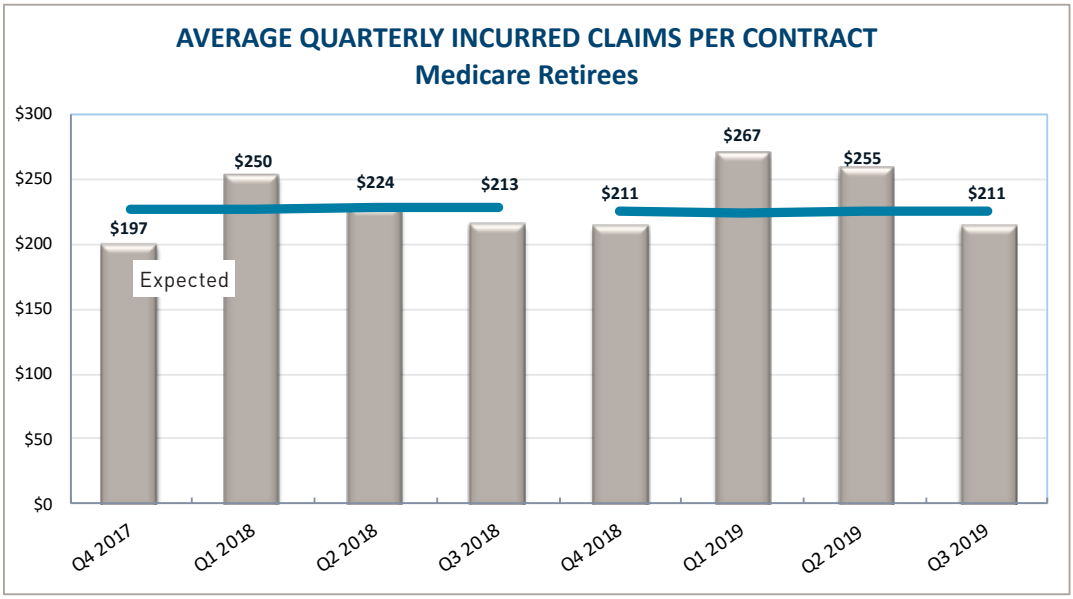


*Incurred between October 1, 2017 and September 30, 2019 and paid through November 30, 2019. Includes IBNR for October 2017 through September 2019, as of November 30, 2019.

*NDPERS Early Retirees contracts have approximately 1.22 members per contract.

PAID CLAIMS PER CONTRACT PER MONTH

Claims Analysis

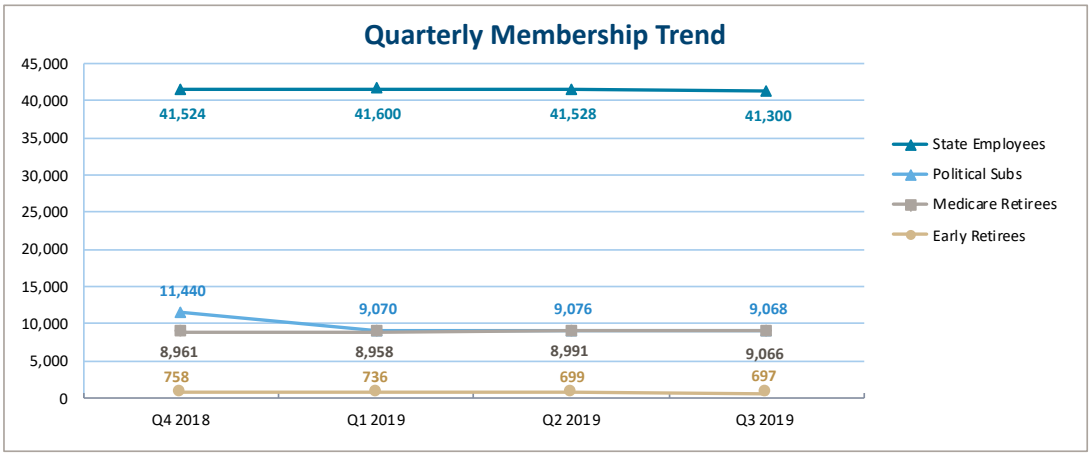


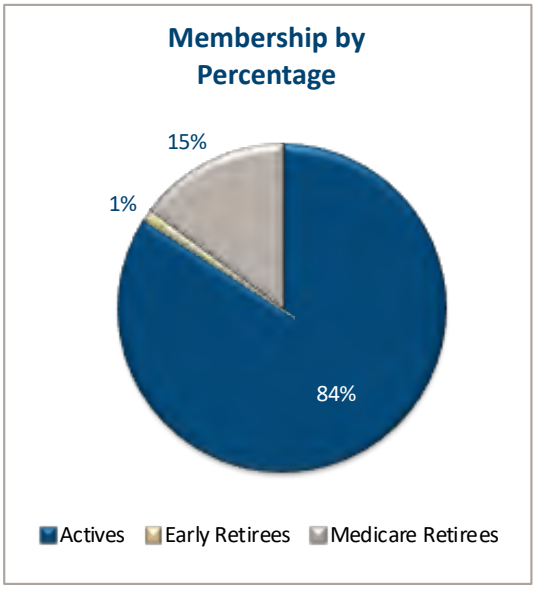
*Incurred between October 1, 2017 and September 30, 2019 and paid through November 30, 2019. Includes IBNR for October 2017 through September 2019, as of November 30, 2019.

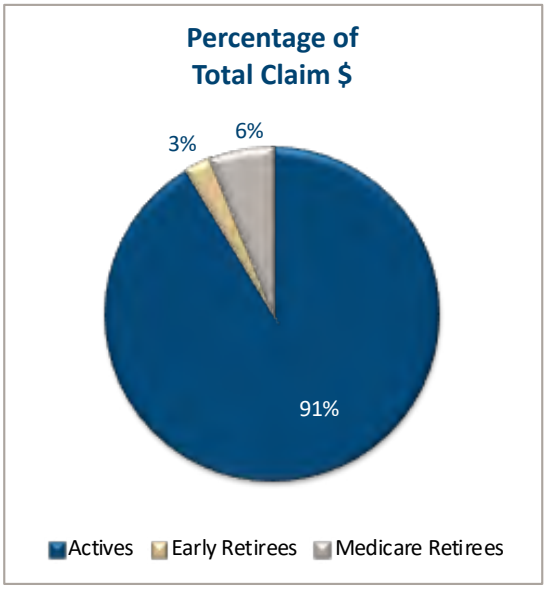
*NDPERS Medicare Retirees contracts have approximately 1.34 members per contract.

Membership & Utilization

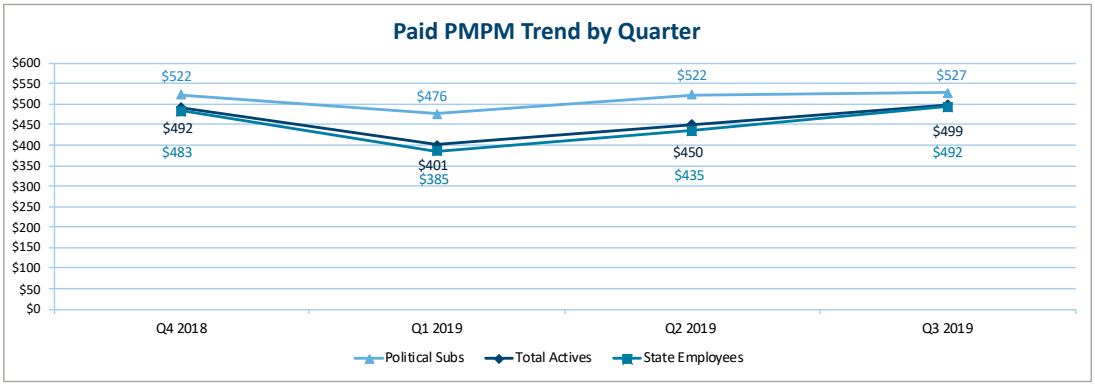
MEMBERSHIP PERCENTAGE





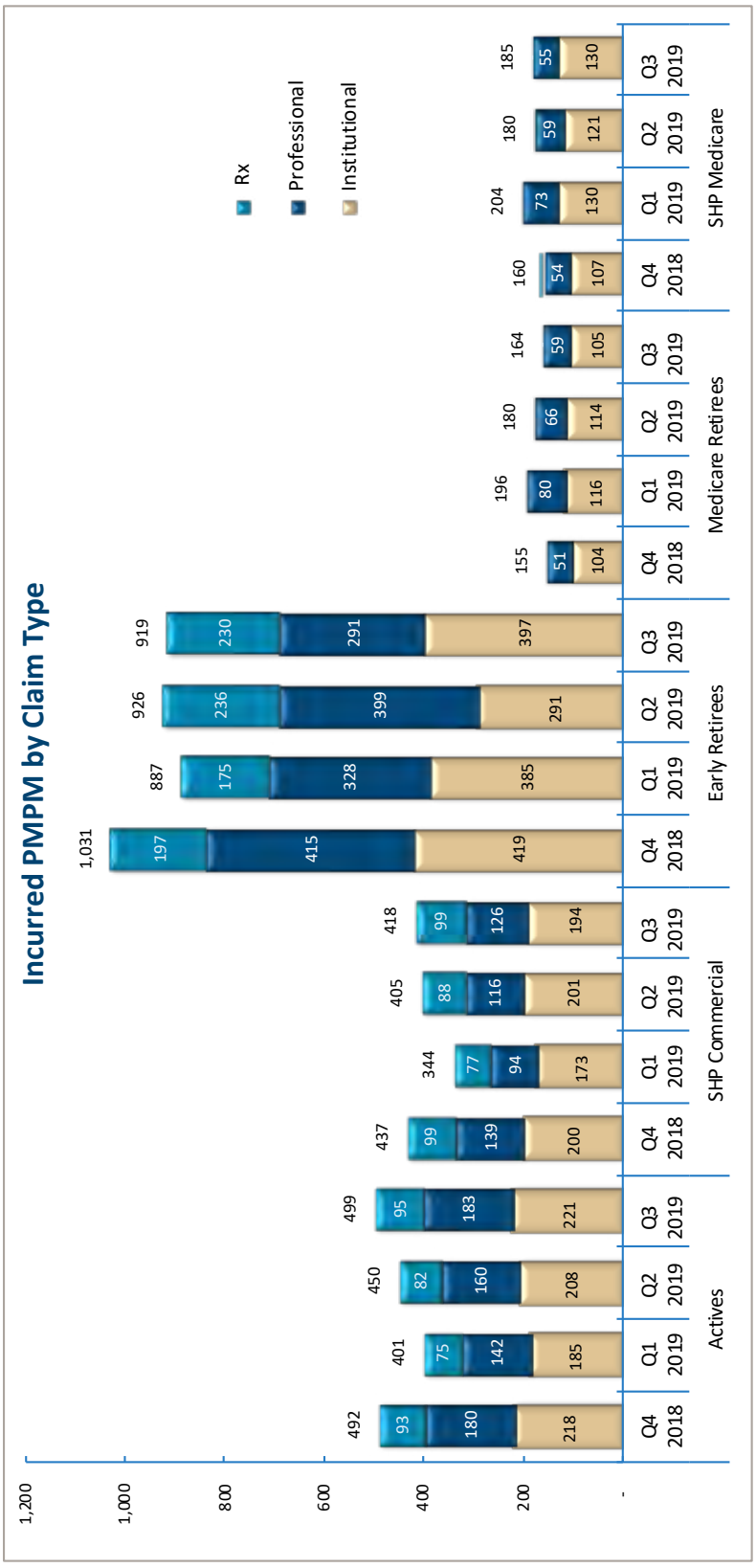


PAID PMPM TREND BY QUARTER



*Incurred between October 1, 2017 and September 30, 2019 and paid through November 30, 2019. Includes IBNR for October 2017 through September 2019, as of November 30, 2019.

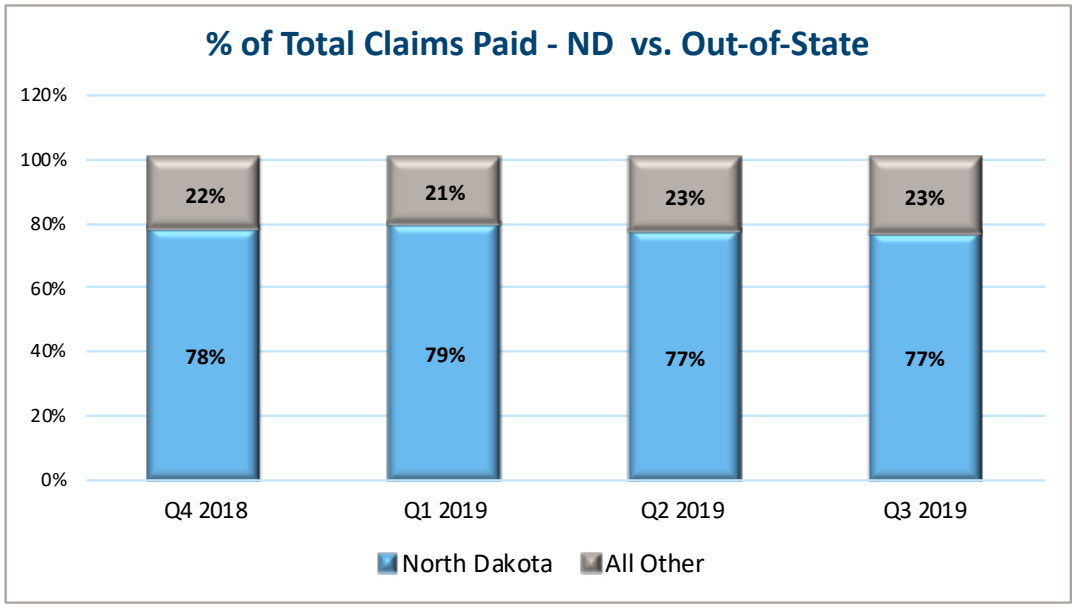
PMPM BY CLAIM TYPE

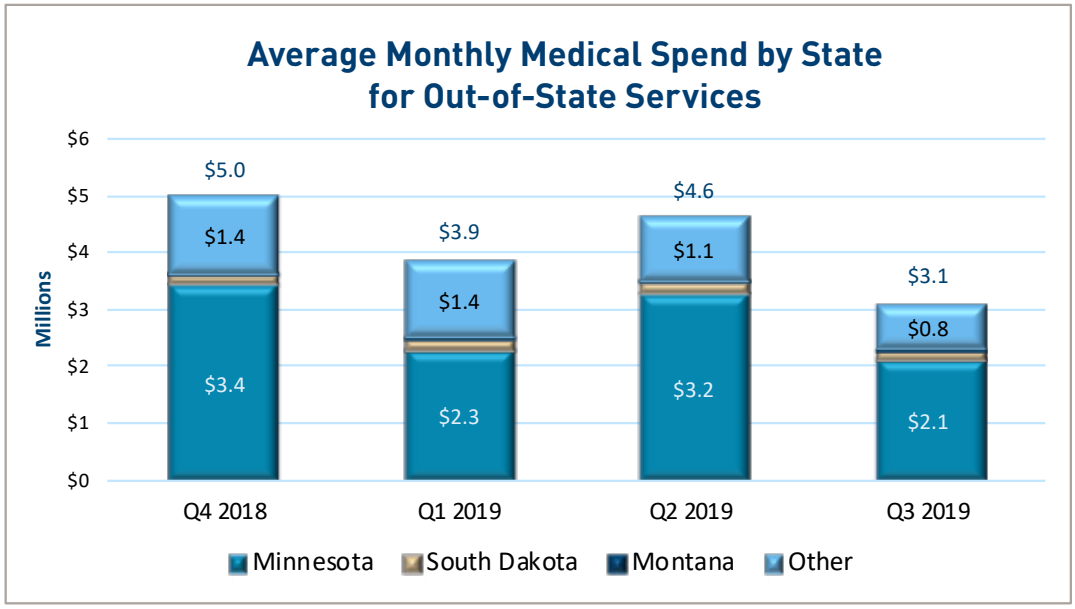


*Incurred between October 1, 2018 and September 30, 2019 and paid through November 30, 2019. Includes IBNR for October 2018 through September 2019, as of November 30, 2019.

Membership & Utilization

PAID CLAIMS BY STATE





*Paid Claims by State charts include both active and retiree membership.

MEMBER RISK PROFILE & UTILIZATION

Membership & Utilization

	NDPERS	SHP Commercial
Average Age	35	33
% Male (Current)	49	46
Average Care Gap Index	1.01	0.78
Inpatient Days Per 1000	205	246
Total Admissions Per 1000	57	69
ER Visits Per 1000	198	160
Total Office Visits Per 1000	4,274	3,901
Pharmacy Scripts Per 1000	8,372	8,547

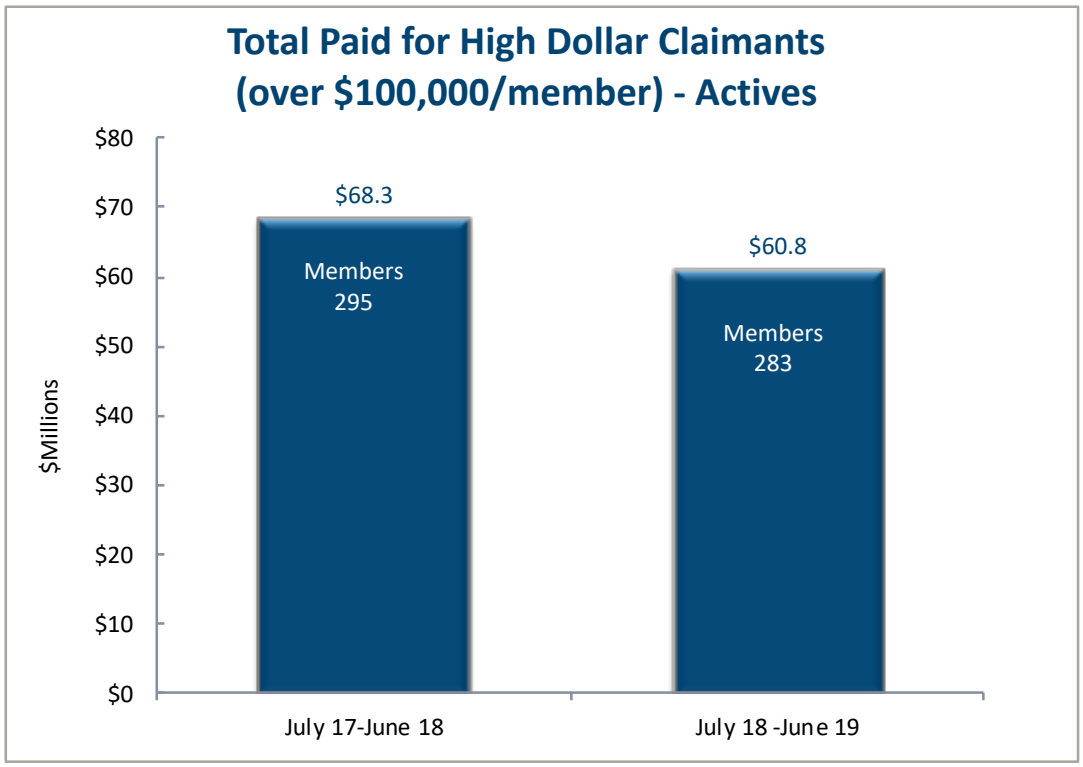
* Incurred between October 1, 2018 and September 30, 2019 and paid through November 30, 2019.

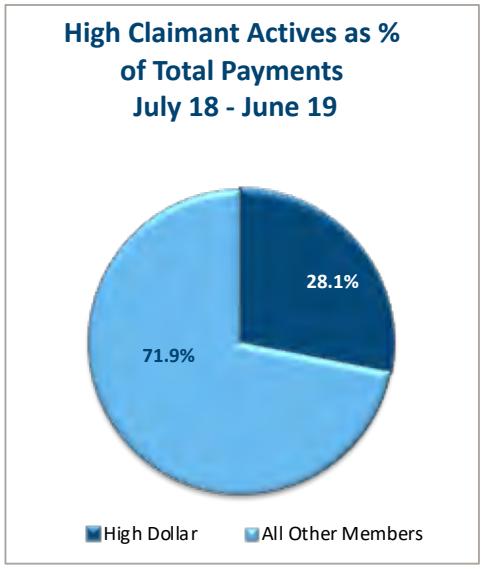
*All data was normalized using Cotiviti's methodologies and algorithms.

*NDPERS includes Political Subdivisions, Early (Pre-Medicare) Retirees and State Employees.

High Dollar Cases

ACTIVES

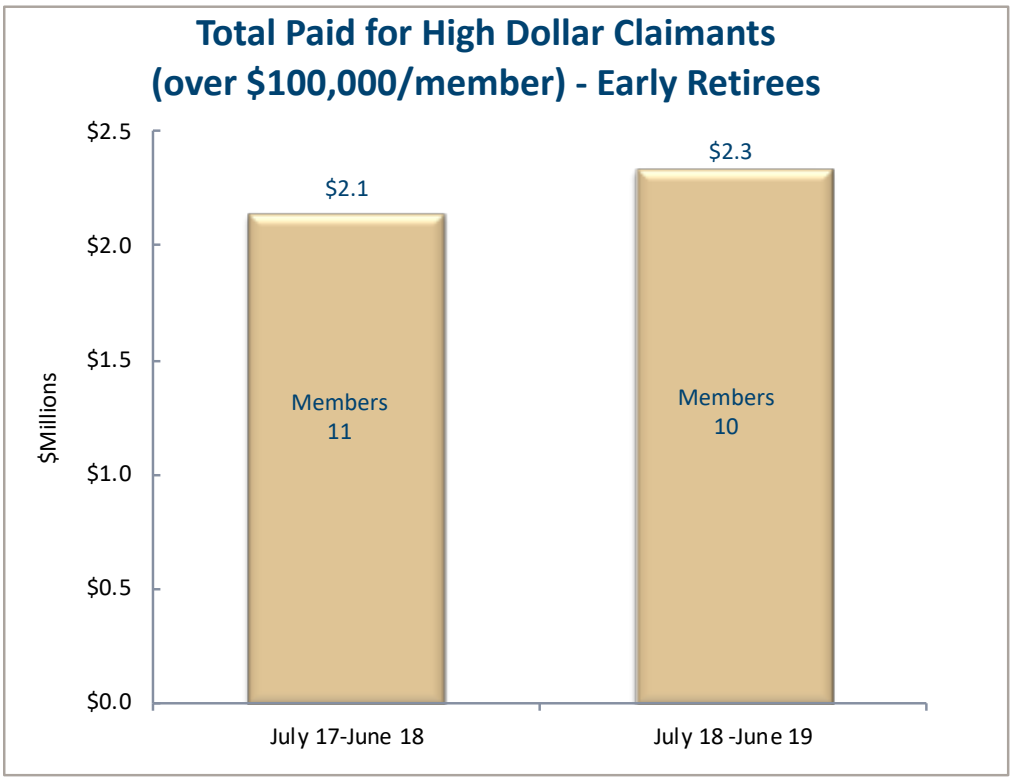


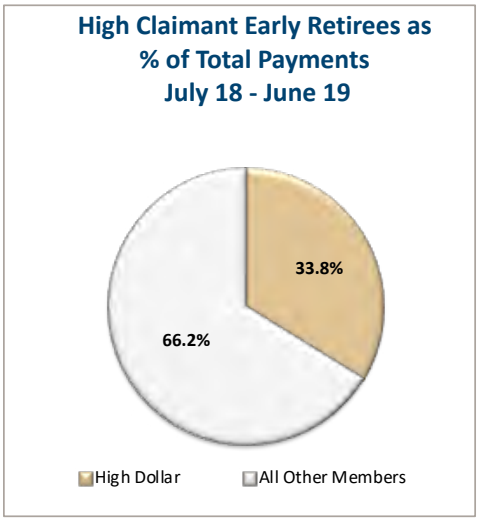


Avg. Paid/Case	$215,001
% of Total Payments	28.1%

EARLY RETIREES

High Dollar Cases

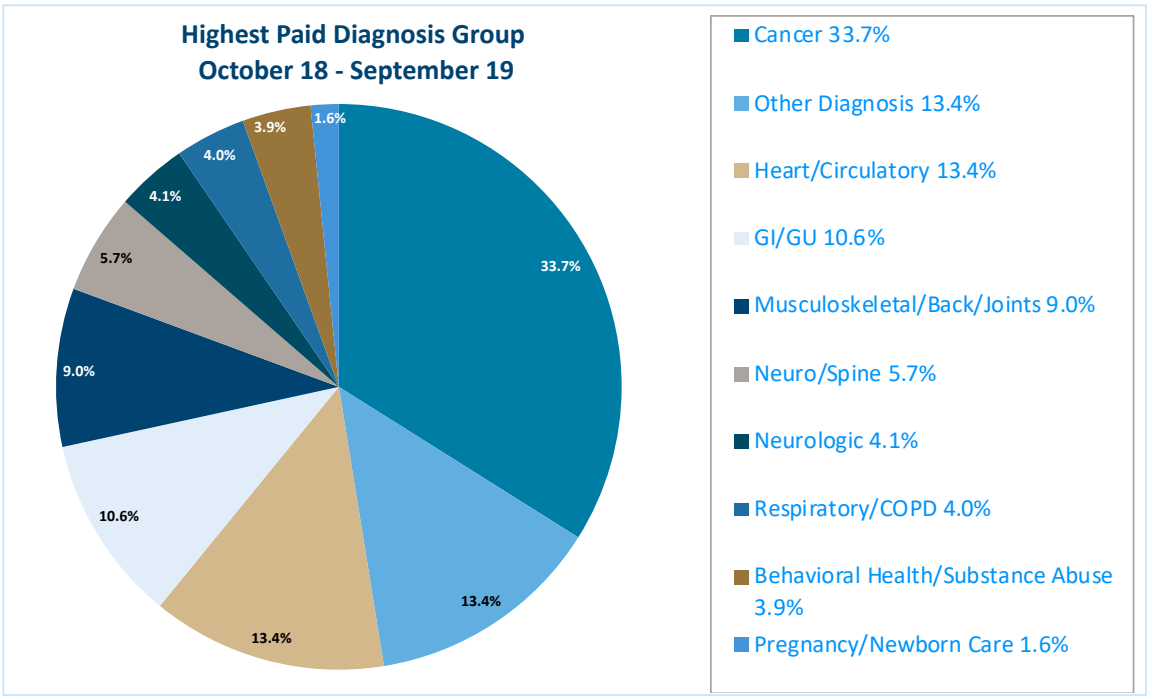


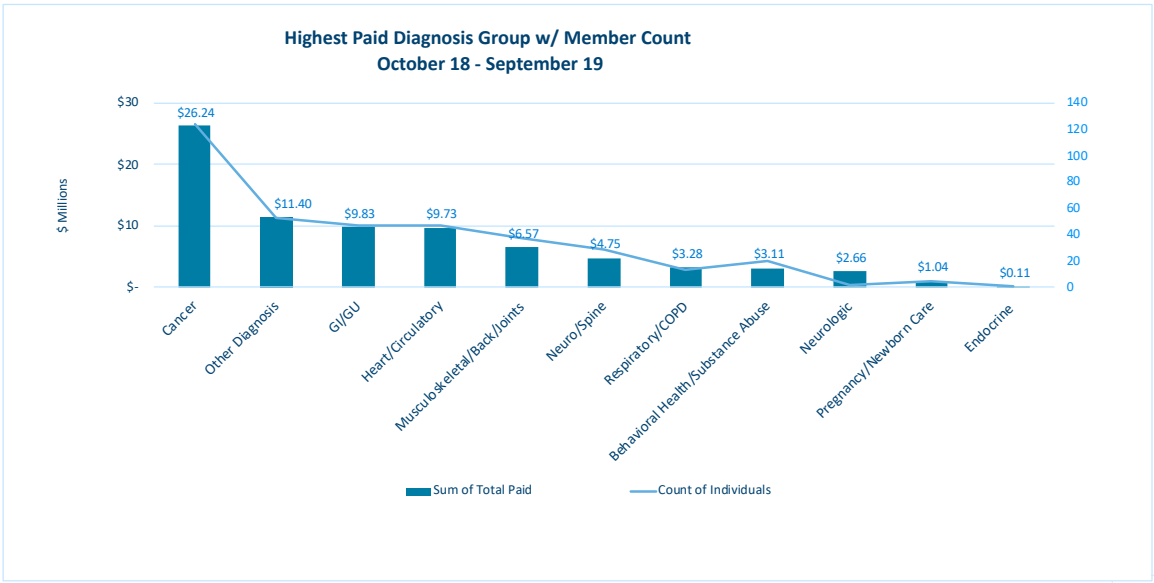


Avg. Paid/Case	$232,668
% of Total Payments	33.8%

High Dollar Cases

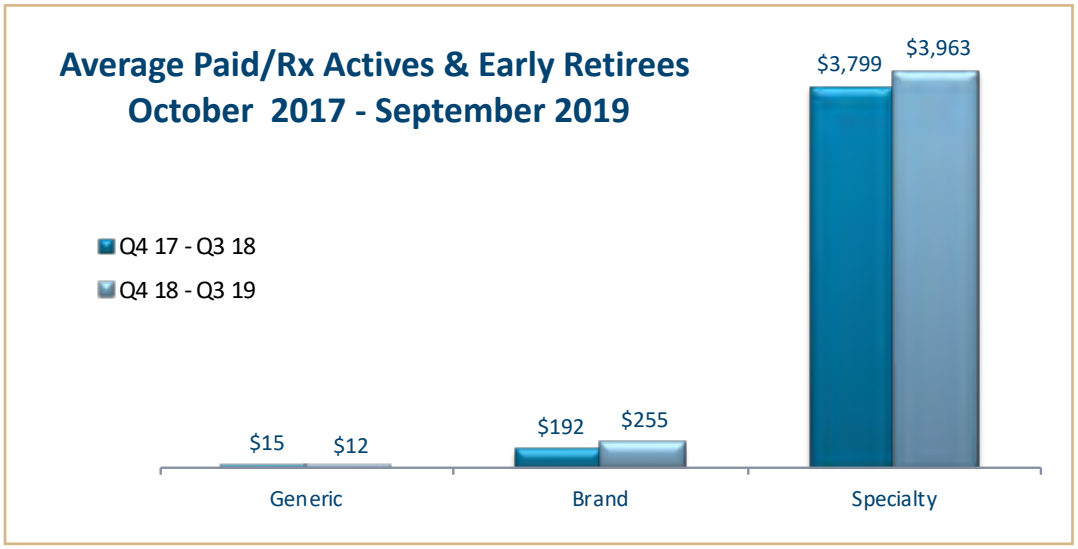
PRIMARY DIAGNOSIS

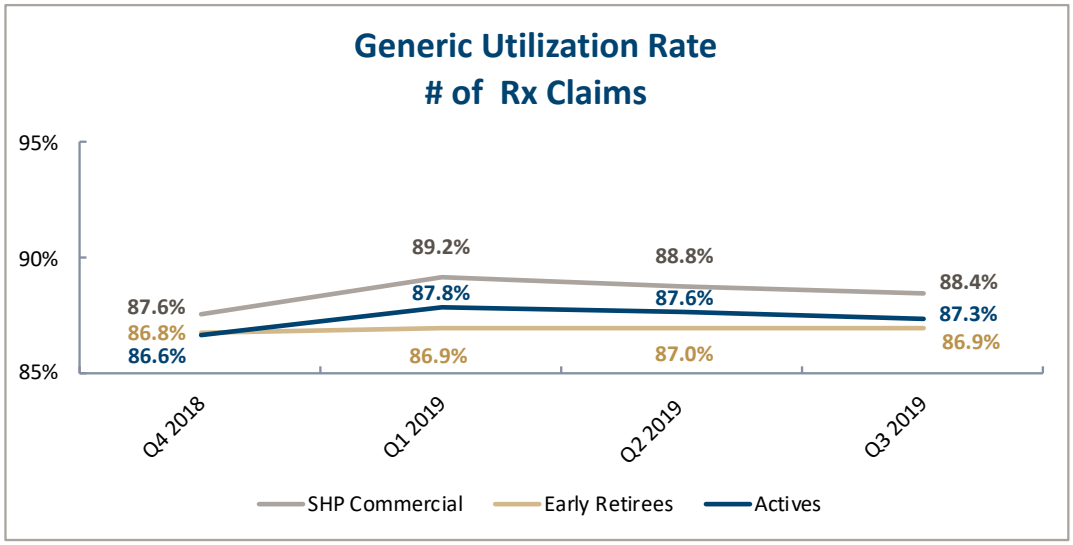


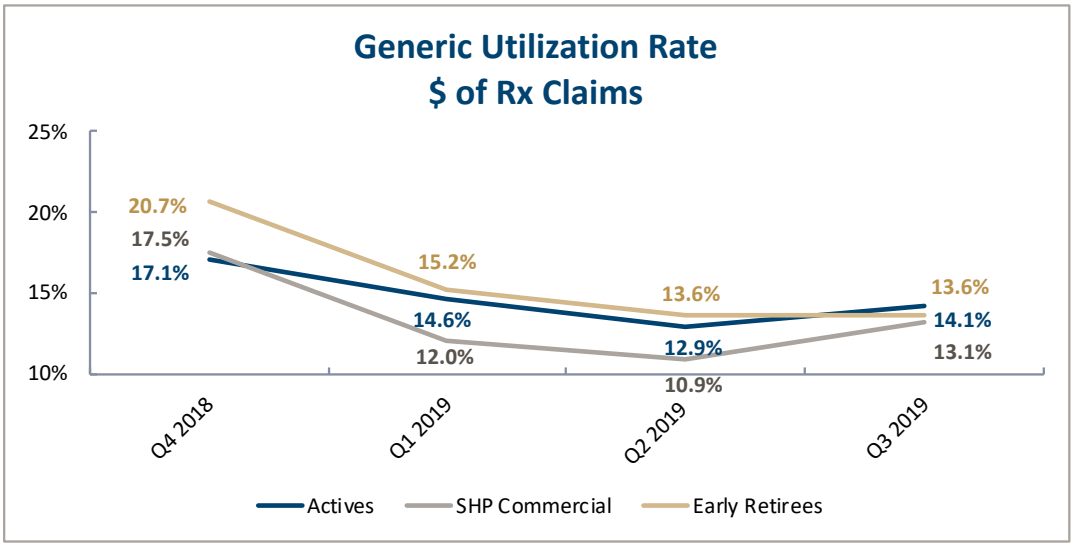


*High dollar cases consist of claims with a total over $100,000.

GENERIC UTILIZATION



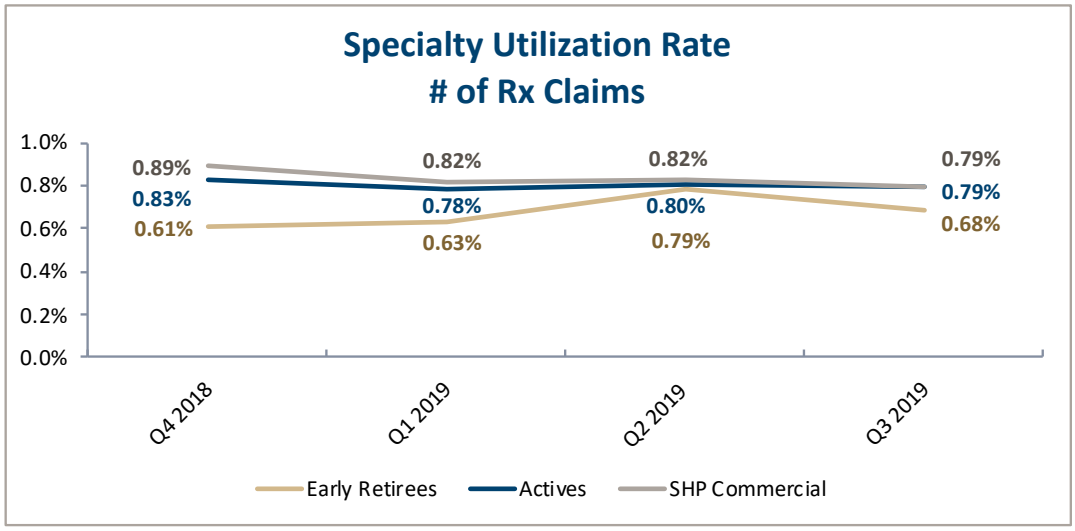


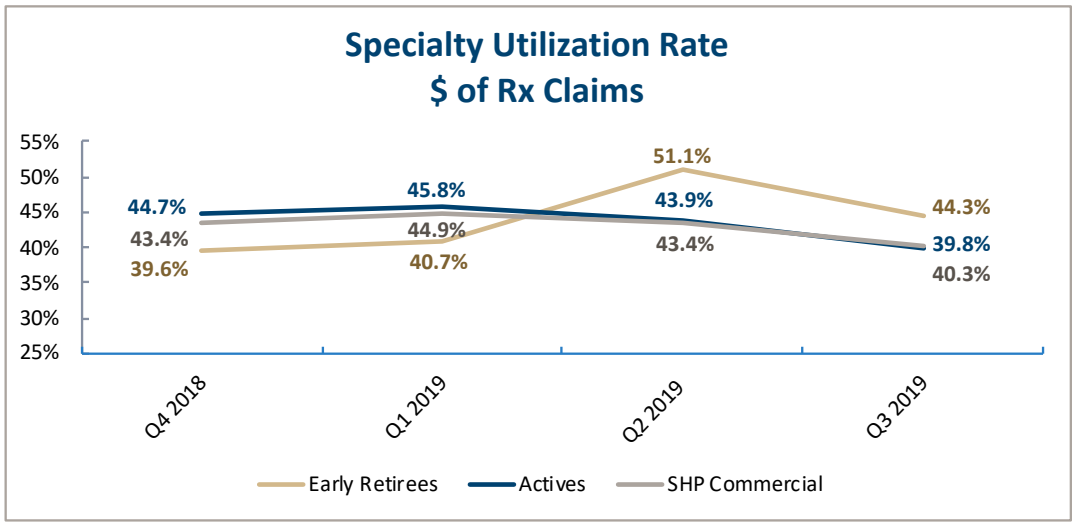


*Incurred between October 1, 2018 and September 30, 2019 and paid through November 30, 2019.

Prescription Drugs

SPECIALTY PHARMACY

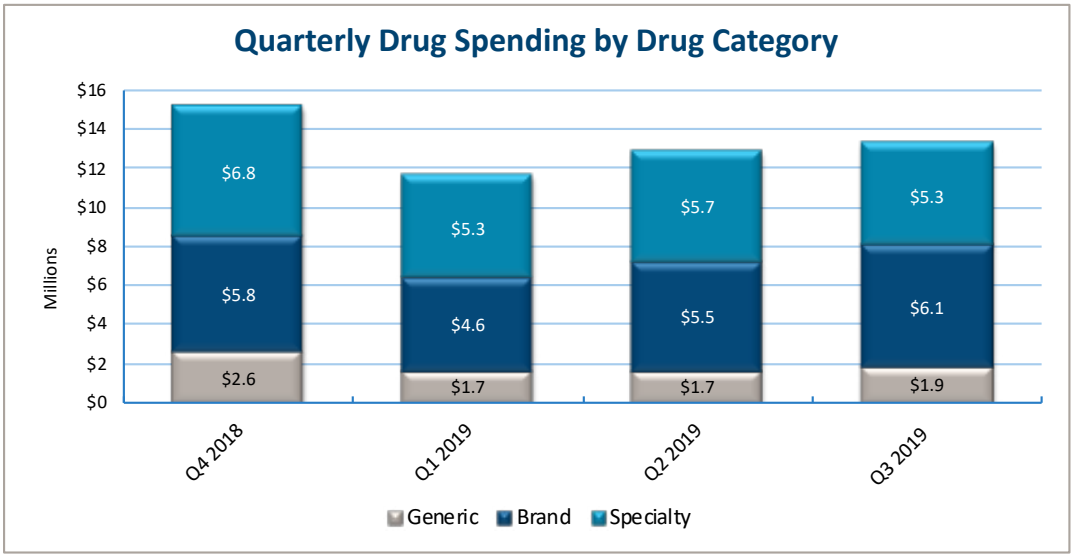




*Incurred between October 1, 2018 and September 30, 2019 and paid through November 30, 2019.

PHARMACY

Prescription Drugs



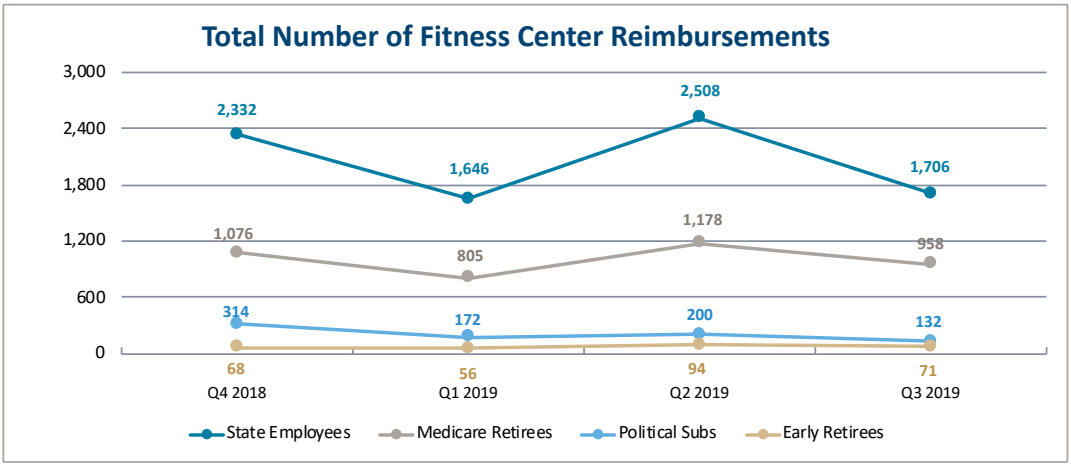
*Incurred between October 1, 2018 and September 30, 2019 and paid through November 30, 2019.

	Sanford Health Plan – NDPERS EGWP		
Description	**Q2 2018**	**Q2 2019**	**Change**
Avg Subscribers per Month	8,840	8,955	1.3%
Avg Members per Month	8,840	8,955	1.3%
Number of Unique Patients	8,422	8,595	2.1%
Pct Members Utilizing Benefit	95.3%	96.0%	0.7
Total Days	6,522,024	6,629,142	1.6%
Total Adjusted Rxs	238,456	241,610	1.3%
Average Member Age	75.2	75.5	0.3%
Nbr Adjusted Rxs PMPM	4.50	4.50	0.0%
Generic Fill Rate	91.5%	91.4%	-0.1
90 Day Utilization	64.7%	66.5%	1.8
Retail - Maintenance 90 Utilization	63.4%	65.1%	1.7
Home Delivery Utilization	1.4%	1.4%	0.1
Member Cost Net %	26.3%	27.3%	0.9
Specialty Percent of Plan Cost Net	40.5%	38.0%	-2.5
Formulary Compliance Rate	99.2%	99.1%	-0.1

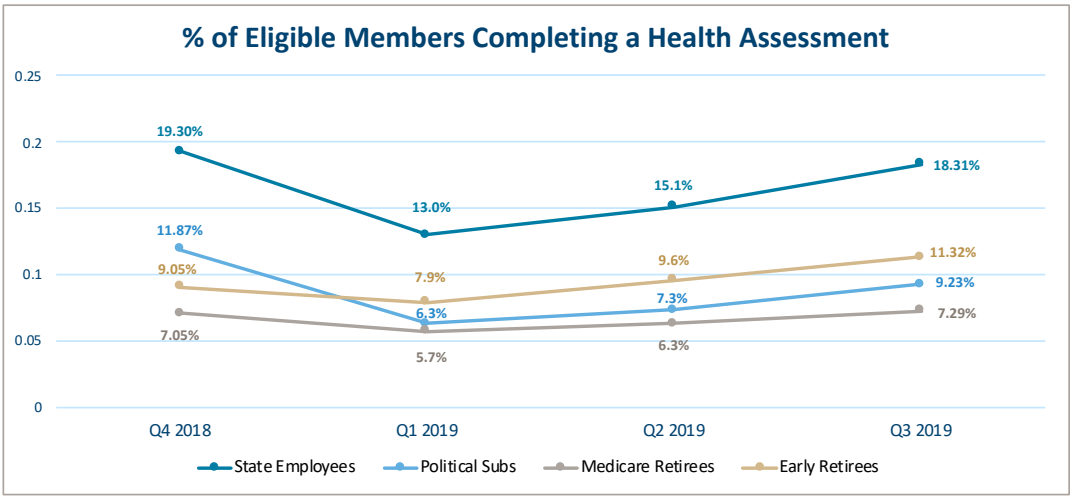
*This data was prepared by Express Scripts Inc. (ESI)

Dakota Wellness Program

FITNESS CENTER REIMBURSEMENT

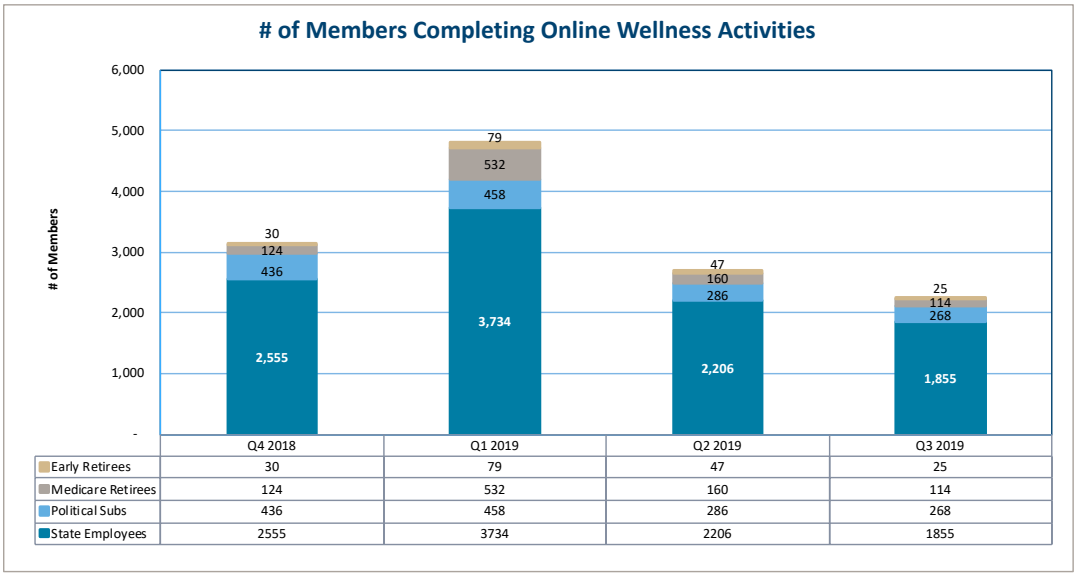


HEALTH ASSESSMENT



ONLINE WELLNESS ACTIVITIES

Dakota Wellness Program



	Q4 2018	Q1 2019	Q2 2019	Q3 2019
Early Retirees	30	79	47	25
Medicare Retirees	124	532	160	114
Political Subs	436	458	286	268
State Employees	2555	3734	2206	1855

LIFESTYLE MEDICINE PROGRAMS

Exercise is Medicine (EIM)
Available in Bismarck, Fargo and Grand Forks.

Total members participating to date: **70 members**

Six months post program: **76% average** increase in sustained physical activity compared to before program enrollment

Diabetes Prevention Program (DPP)
Currently offered in Bismarck, Dickinson, Fargo, Grand Forks, and Minot.

Total members participating to date: **82 members**

Average weight loss: **4%**

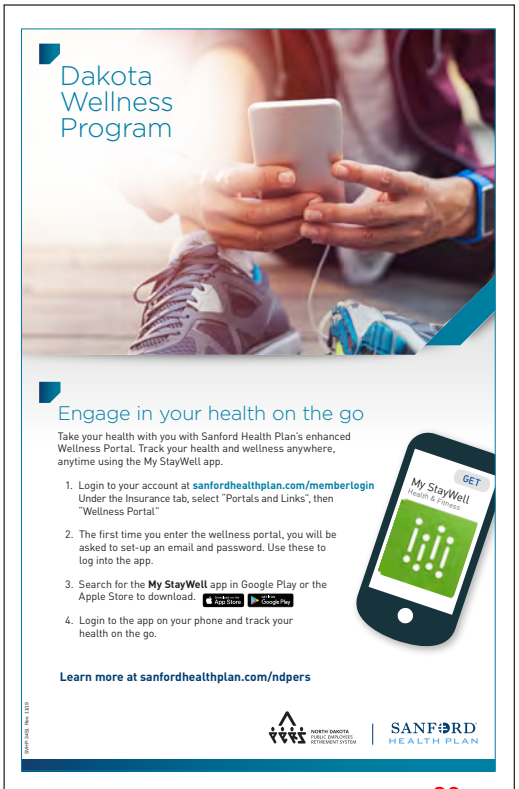
Omada
A virtual diabetes prevention program.

Total members participating to date: **39 members**

Dakota Wellness Program

MONTHLY WELLNESS THEMES

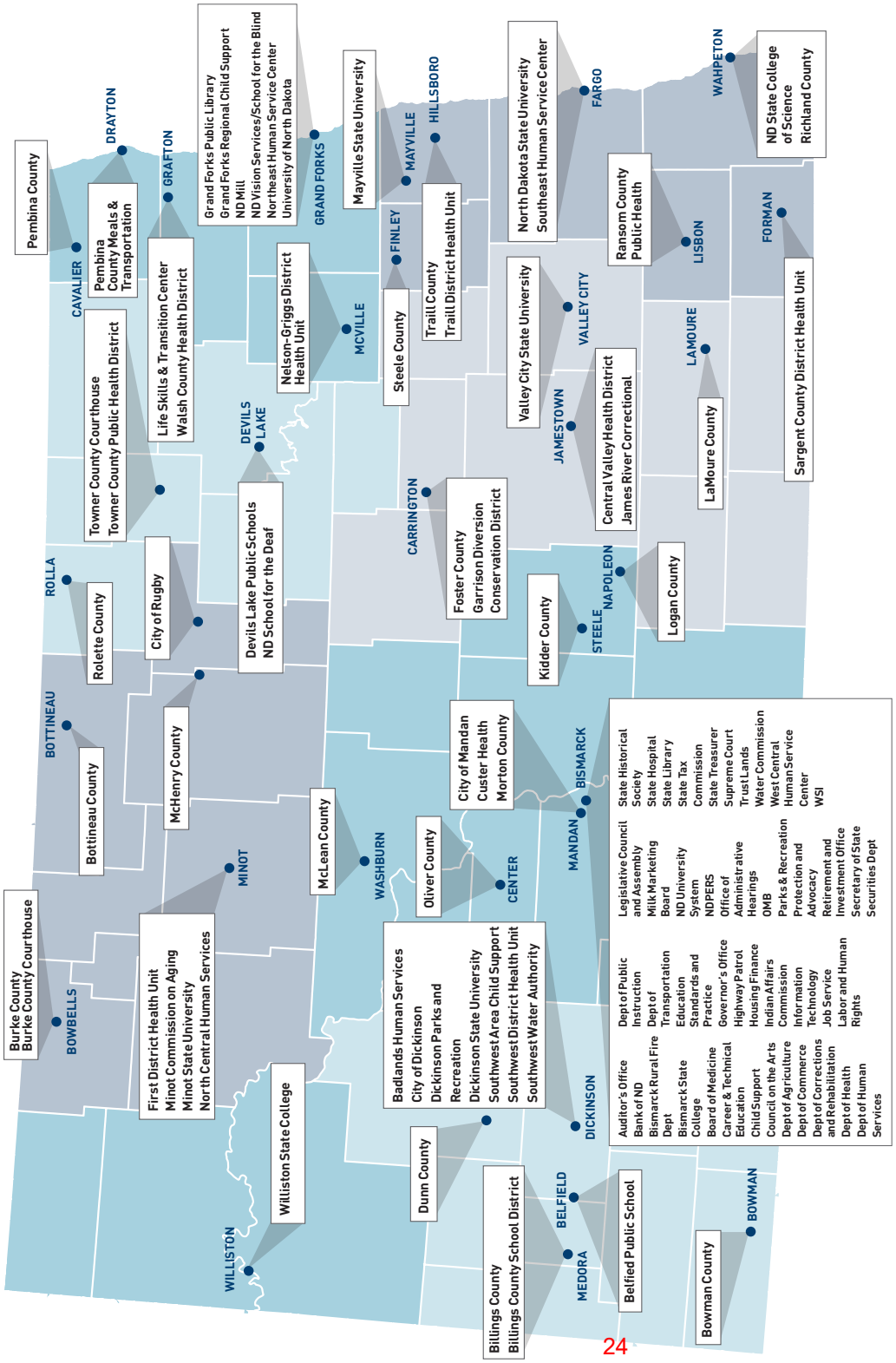
Monthly themes keep the wellness program fresh throughout the year and keeps members engaged in their individual wellness pursuit. Newsletters, e-blasts and worksite posters are used to introduce themes.



EVENT ATTENDANCE BY AGENCY

The Sanford Health Plan NDPERS wellness team engages members both offline and online. Wellness educators travel across the state to support agency wellness coordinators and provide worksite education and activities. This map shows where they've been over the last quarter.

Dakota Wellness Program



TOTAL NUMBER OF AGENCIES VISITED (UNDUPLICATED)

101

PRESENTATIONS/EVENTS:

- Wellness Coordinator Re-Charge
- Workshop
- Healthy Meals in a Hurry
- Overcoming Stress
- Love Your Job
- Mindful Eating
- Blood Pressure Screening
- Get Moving at Work
- Wellness Fair

TOTAL MEMBER ATTENDANCE THIS QUARTER:

419

Dakota Wellness Program

2019 Wellness Coordinator Re-Charge

Every year Sanford Health Plan hosts a workshop to re-energize wellness coordinators in their leadership role.

The 2019 workshop covered:

- Preventive health programs for chronic disease, including Diabetes Prevention Program, Exercise is Medicine, Tobacco Cessation, and Healthy Pregnancy, plus new on-site presentations.
- The Dakota Wellness Program featuring a review the employer-based wellness program, $250 wellness benefit and a closer look at the online wellness portal.

101 wellness coordinators attended the 2019 Re-Charge events.

Enhanced online wellness portal launched July 1, 2019

The 2019 Dakota Wellness Program is better than ever with an enhanced online wellness portal. Members have access the same health tools to track their health and wellness goals, plus an array of new features, including:

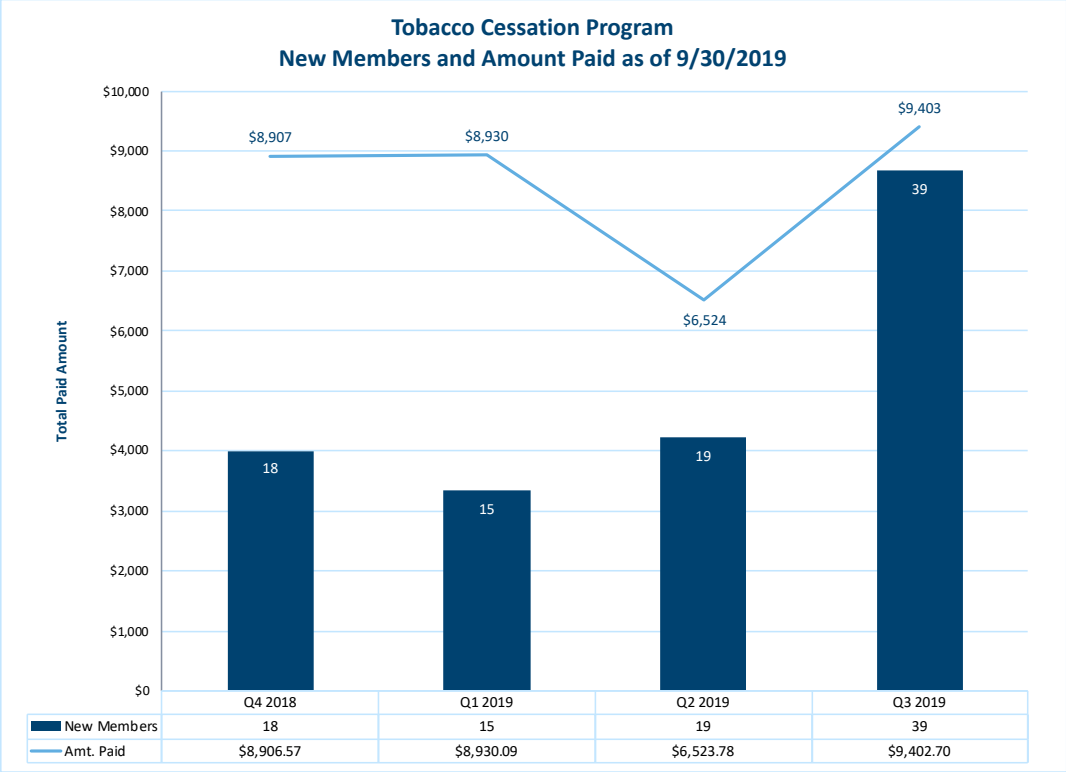
- Live chat with a wellness coach to help set or reach health goals
- Ask-a-doctor to get answers to health questions from a licensed doctor within 48 hours
- Recipes, exercise videos, and a guided meditation app
- Agency-based challenges for steps, fruits and vegetables, and strength training

Governor's Wellness Initiative: Prevention Phase

The Prevention Phase of the Governor's Initiative included:

- Taking the health risk assessment on the enhanced wellness portal
  - **2,937 members completed** at the end of quarter 3
- A special edition newsletter on preventive health screenings, Healthy Pregnancy, Tobacco Cessation, managing type 2 diabetes and overcoming substance abuse
- New on-site presentation options for agencies on cancer and chronic disease prevention, and self-care for pain

TOBACCO CESSATION PROGRAM



Member Management

MEMBER MANAGEMENT REPORT

	CASE SUMMARY		MEMBER OUTREACH		CASE MANAGEMENT
CASE TYPE	Total Cases	Members	Successful Contact	Unsuccessful Contact	Care Coordination
CASE MANAGEMENT 447 Total Cases					
Behavioral Health	52	52	24	38	101
Case Management	106	106	100	70	210
Chronic Multiple	1	1	0	0	8
Healthy Pregnancy	196	196	311	318	190
Inpatient Behavioral	58	57	22	55	157
Inpatient	14	14	10	4	29
Inpatient Substance	2	2	1	1	4
Medication Adherence	4	4	0	0	4
Oncology	3	3	0	0	6
Psychosocial Needs	2	2	2	1	2
Transplant	9	9	7	2	40
COMPLEX CASE MANAGEMENT 15 TOTAL CASES					
Case Management	1	1	0	0	1
Chronic Multiple	2	2	7	6	4
Complicated Case	6	6	16	12	15
Transplant	6	6	18	35	35

HEALTH MANAGEMENT PROGRAMS					
PROGRAM TYPE	CAD	Diabetes	Congestive Heart Failure	Asthma	Hypertension
	1387	3192	826	3803	8897

Case Summary

- Total cases – Count of any cases open or closed during the report time frame.
- Individual members – Count of the individual members with a case open.

Member Outreach

- Successful outreach – Includes the following activities: successful telephone call, outreach, site visit, member interaction.
- Unsuccessful outreach – Includes leaving messages for a member or letter sent.

Case Management

- Case manager activities related to care coordination, including: chart review, referrals to internal Health Plan staff for claim or coverage questions, electronic outreach to providers and educational material mailings.

Performance Standards & Guarantees

2019-2021

MEASURE	GOAL	OUTCOME REPORTING DATES	CURRENT
WELLNESS:			
Health Risk Assessment completion	17%	June 30, 2021	7%
Worksite Interventions agency participation	73%	June 30, 2021	**53%**
Fitness Center Reimbursement participation	5%	Dec. 31, 2020	3.2%
Redemption Center payments	$800,000	Dec. 31, 2020	$106,370
Redemption Center participation rate	8%	Dec. 31, 2020	1.64%
HEALTH OUTCOMES:			
Tobacco Cessation grant dollar distribution	5% growth	June 30, 2021	On Track
Healthy Pregnancy Program	2.5% growth	June 30, 2021	On Track
Diabetes Prevention Program	5% growth	Dec. 31, 2020	Q1 2020
Exercise is Medicine	3% growth	Dec. 31, 2020	Q1 2020
Breast cancer screening rates	80%	June 30, 2021	79.6%
Cervical Cancer Screening Rates	85%	June 30, 2021	83%
Colorectal Cancer Screening Rates	60%	June 30, 2021	>60%
PROVIDER NETWORK/CONTRACTING:			
PPO Network participation rate	Hospital, MDs & DOs: 92%	June 30, 2021	96% – Hos 95% – MD/DO
Par Network minimum discount	30%	June 30, 2021	40.7%
CUSTOMER SERVICE & CLAIMS:			
Claims financial accuracy	99%	June 30, 2021	100%
Claims payment incidence accuracy	97%	June 30, 2021	100%
Claim timeliness	99%	June 30, 2021	99.7%
Claims procedural accuracy	95%	June 30, 2021	100%
Average speed of answer	35 seconds	June 30, 2021	11 seconds
Call abandoned rate	5% or less	June 30, 2021	0.9%
ANCILLARY ITEMS:			
Interest rate based on US Treasury	US Treasury rate	June 30, 2021	On Track
Rx rebate pass-through rate	100%	June 30, 2021	On Track
About the Patient payment on schedule	100%	June 30, 2021	On Track
Explanation of benefits redesign	100%	Dec. 31, 2019	On Track

Exhibit 5

NDPERS Active Health Insurance Out-Of-Pocket
Jan-Dec Calendar Year ending: 2018

# of Contracts	20,144			
	Medical	Pharmacy	Total	
Deductibles	13,508,643.25	98,109.48	13,606,752.73	
Coinsurance	12,641,598.12	4,771,453.21	17,413,051.33	
Copayments	9,343,279.66	4,518,495.22	13,861,774.88	
Sanctions			-	
Exclusions	2,227,780.32	332,780.70	2,560,561.02	
TOTAL	$37,721,301.35	$9,720,838.61	$47,442,139.96	
Per Contract	$1,872.61	$482.57	$2,355.18	15% Change
Per Contract-2017	1,781.43	266.84	2,048.27	

Exhibit 6

Sanford Health Plan
Summary of NDPERS Experience - 3rd Biennium

Month	Premium Collected	Other Premium Adjustments	Premium Buy Down	Total Premium	Admin Expense	PPACA Fee Exp	Net Premium	Interest On Cash Flow	RX Claims Net of RX Rebates	Paid Medical Claims by Incurred Month	Claims Estimated IBNR	Est Gain (Loss)	Total Paid
Jul-19	28,382,501	-	-	28,382,501	1,505,525	717,484	26,159,492	9,741	3,402,679	22,961,231.00	834,428.00	$ (1,029,104)	$27,198,337.73
Aug-19	28,238,378	-	-	28,238,378	1,503,326	716,068	26,018,984	25,511	3,514,528	21,822,818.00	381,788.00	$ 325,360	$25,719,133.97
Sep-19	28,348,622	-	-	28,348,622	1,509,243	718,760	26,120,620	23,017	3,502,505	21,807,511.00	591,961.00	$ 241,660	$25,901,976.98
Oct-19	28,361,119	-	-	28,361,119	1,510,780	719,514	26,130,826	27,975	4,835,050	22,816,022.00	1,040,473.00	$ (2,532,744)	$28,691,545.35
Nov-19	28,401,887	-	-	28,401,887	1,510,991	719,511	26,171,385	23,601	4,416,138	19,952,924.00	1,899,863.00	$ (73,940)	$26,268,925.28
Dec-19	28,323,129	-	-	28,323,129	1,510,937	719,477	26,092,715	27,806	5,450,479	19,977,544.00	3,936,922.00	$ (3,244,424)	$29,364,945.21
Total	$ 170,055,636	$ -	$ -	$ 170,055,636	$ 9,050,800	$ 4,310,814	$ 156,694,021	$ 137,651	$ 25,121,380	$ 129,338,050	$ 8,685,435	$ (6,313,192)	$163,144,864.52

Sanford Health Plan
Calculation of Interst on State Group
July 1, 2017 To March 31, 2019

Date		Premium Collected	Less: Medicare Part D	Net Premium Collected	Other Premium Adjustments	(1-2.5) Total Premium	SHP Administrative Fees	(3-4) Net Premium	Claims Paid	Claims Refunded	Pharmacy Rebate	Additions to Cash Flow	(5-6+7+7.5+8.6+9) Total Cash Balance	Days	Interest Rate	Interest on Cash Flow	Additions to Cash Reserve	TOTAL Cash Reserve	Interest On Cash Reserve	Programs Cash Reserve	Changes to Programs Cash Reserve	Programs Cash Reserve Balance	Interest on Programs Cash Reserve	Medicare Part D
		(1)			(2.5)	(3)	(4)	(5)	(6)	(7)	(7.5)	(8.6)	(9)	(10)						(14)				
2019																								
Balance fwd.													-	0	1.88%			-		21,592.81	43.18	21,635.99	0.00	-
7	1			0.00		0.00		0.00					0.00	1	1.88%	0.00		-	-	21,635.99		21,635.99	1.11	
7	3			0.00		0.00		0.00					0.00	2	1.88%	0.00		-	-	21,635.99		21,635.99	2.23	
7	5			0.00		0.00		0.00	150,773.90				(150,773.90)	2	1.88%	0.00		-	-	21,635.99	(9,797.16)	11,838.83	2.23	
7	11			0.00		0.00		0.00					(150,773.90)	6	1.88%	0.00		-	-	11,838.83	199,650.00	211,488.83	3.66	
7	12			0.00		0.00		0.00	1,103,589.77				(1,254,363.67)	1	1.88%	0.00		-	-	211,488.83		211,488.83	10.89	
7	15			0.00		0.00		0.00					(1,254,363.67)	3	1.88%	0.00		-	-	211,488.83		211,488.83	32.68	
7	16			0.00		0.00		0.00	2,091,640.85				(3,346,004.52)	1	1.88%	0.00		-	-	211,488.83	(50.00)	211,438.83	10.89	
7	17			0.00		0.00		0.00					(3,346,004.52)	1	1.88%	0.00		-	-	211,438.83	(543.50)	210,895.33	10.89	
7	19			0.00		0.00		0.00	2,208,404.86				(5,554,409.38)	2	1.88%	0.00		-	-	210,895.33		210,895.33	21.73	
7	22	28,382,501.02		28,382,501.02		28,382,501.02		28,382,501.02					22,828,091.64	3	1.88%	0.00		-	-	210,895.33		210,895.33	32.59	
7	25			0.00		0.00		0.00					22,828,091.64	3	1.88%	3,527.41		-	-	210,895.33		210,895.33	32.59	
7	26			0.00		0.00		0.00	3,266,306.67				19,561,784.97	1	1.88%	1,175.80		-	-	210,895.33		210,895.33	10.86	
7	30			0.00		0.00		0.00					19,561,784.97	4	1.88%	4,030.26		-	-	210,895.33		210,895.33	43.45	
7	31			0.00		0.00	2,223,008.56	(2,223,008.56)					17,338,776.41	1	1.88%	1,007.57		-	-	210,895.33		210,895.33	10.86	
7	31	28,382,501.02	-	28,382,501.02	0.00	28,382,501.02	2,223,008.56	26,159,492.46	8,820,716.05	-	0.00	0.00	17,338,776.41	31		9,741.04	0.00	-	0.00		189,302.52	210,895.33	226.66	0.00
Member count for the month was 60,049									See "Claims Paid Type" worksheet.												See "Program Payments" worksheet.			
2019																								
Balance fwd.												9,741.04	17,348,517.45	0	1.90%			-		210,895.33	226.66	211,121.99	0.00	-
8	1			0.00		0.00		0.00					17,348,517.45	1	1.90%	903.07		-	-	211,121.99		211,121.99	10.99	
8	2			0.00		0.00		0.00	5,476,206.51				11,872,310.94	1	1.90%	903.07		-	-	211,121.99		211,121.99	10.99	
8	9			0.00		0.00		0.00	4,168,679.77				7,703,631.17	7	1.90%	4,326.07		-	-	211,121.99		211,121.99	76.93	
8	12			0.00		0.00		0.00	(45,720.11)				7,749,351.28	3	1.90%	1,203.03		-	-	211,121.99		211,121.99	32.97	
8	16			0.00		0.00		0.00	4,509,301.40				3,240,049.88	4	1.90%	1,613.56		-	-	211,121.99		211,121.99	43.96	
8	19	28,238,377.52		28,238,377.52		28,238,377.52		28,238,377.52	2,124,076.95				29,354,350.45	3	1.90%	505.98		-	-	211,121.99		211,121.99	32.97	
8	20			0.00		0.00		0.00					29,354,350.45	1	1.90%	1,528.03		-	-	211,121.99		211,121.99	10.99	
8	21			0.00		0.00		0.00					29,354,350.45	1	1.90%	1,528.03		-	-	211,121.99	(10,000.00)	201,121.99	10.99	
8	23			0.00		0.00		0.00	4,536,405.77				24,817,944.68	2	1.90%	3,056.07		-	-	201,121.99		201,121.99	20.94	
8	25			0.00		0.00		0.00					24,817,944.68	2	1.90%	2,583.79		-	-	201,121.99		201,121.99	20.94	
8	26			0.00		0.00		0.00					24,817,944.68	1	1.90%	1,291.89		-	-	201,121.99	(451.34)	200,670.65	10.47	
8	29			0.00		0.00		0.00	2,647,434.12				22,170,510.56	3	1.90%	3,875.68		-	-	200,670.65	(493.00)	200,177.65	31.34	
8	30			0.00		0.00	2,219,393.97	(2,219,393.97)					19,951,116.59	1	1.90%	1,154.08		-	-	200,177.65		200,177.65	10.42	
8	31			0.00		0.00		0.00					19,951,116.59	1	1.90%	1,038.55		-	-	200,177.65		200,177.65	10.42	
8	31	28,238,377.52	-	28,238,377.52	0.00	28,238,377.52	2,219,393.97	26,018,983.55	23,416,384.41	-	0.00	0.00	19,951,116.59	31		25,510.90	0.00	-	0.00		(10,717.68)	200,177.65	335.32	0.00
Member count for the month was 59,967									See "Claims Paid Type" worksheet.												See "Program Payments" worksheet.			
2019																								
Balance fwd.												25,510.90	19,976,627.49	0	1.51%			-		200,177.65	335.32	200,512.97	0.00	-
9	1			0.00		0.00		0.00					19,976,627.49	1	1.51%	826.43		-	-	200,512.97		200,512.97	8.30	
9	2			0.00		0.00		0.00					19,976,627.49	1	1.51%	826.43		-	-	200,512.97		200,512.97	8.30	
9	3			0.00		0.00		0.00	2,339,613.40				17,637,014.09	1	1.51%	826.43		-	-	200,512.97		200,512.97	8.30	
9	4			0.00		0.00		0.00					17,637,014.09	1	1.51%	729.64		-	-	200,512.97		200,512.97	8.30	
9	5			0.00		0.00		0.00					17,637,014.09	1	1.51%	729.64		-	-	200,512.97		200,512.97	8.30	
9	6			0.00		0.00		0.00	5,527,424.07				12,109,590.02	1	1.51%	729.64		-	-	200,512.97		200,512.97	8.30	
9	7			0.00		0.00		0.00					12,109,590.02	1	1.51%	500.97		-	-	200,512.97		200,512.97	8.30	
9	8			0.00		0.00		0.00					12,109,590.02	1	1.51%	500.97		-	-	200,512.97		200,512.97	8.30	
9	9			0.00		0.00		0.00	(359.57)				12,109,949.59	1	1.51%	500.97		-	-	200,512.97		200,512.97	8.30	
9	10			0.00		0.00		0.00	(674.93)				12,110,624.52	1	1.51%	500.99		-	-	200,512.97		200,512.97	8.30	
9	11			0.00		0.00		0.00	674.93				12,109,949.59	1	1.51%	501.01		-	-	200,512.97		200,512.97	8.30	
9	12			0.00		0.00		0.00					12,109,949.59	1	1.51%	500.99		-	-	200,512.97	(302.19)	200,210.78	8.30	
9	13			0.00		0.00		0.00	3,996,076.85				8,113,872.74	1	1.51%	500.99		-	-	200,210.78		200,210.78	8.28	
9	14			0.00		0.00		0.00					8,113,872.74	1	1.51%	335.67		-	-	200,210.78		200,210.78	8.28	
9	15			0.00		0.00		0.00					8,113,872.74	1	1.51%	335.67		-	-	200,210.78		200,210.78	8.28	
9	16			0.00		0.00		0.00					8,113,872.74	1	1.51%	335.67		-	-	200,210.78		200,210.78	8.28	
9	17			0.00		0.00		0.00	2,022,454.95				6,091,417.79	1	1.51%	335.67		-	-	200,210.78		200,210.78	8.28	
9	18			0.00		0.00		0.00					6,091,417.79	1	1.51%	252.00		-	-	200,210.78		200,210.78	8.28	
9	19	28,348,622.14		28,348,622.14		28,348,622.14		28,348,622.14					34,440,039.93	1	1.51%	252.00		-	-	200,210.78		200,210.78	8.28	
9	20			0.00		0.00		0.00	5,165,303.53				29,274,736.40	1	1.51%	1,424.78		-	-	200,210.78		200,210.78	8.28	
9	21			0.00		0.00		0.00					29,274,736.40	1	1.51%	1,211.09		-	-	200,210.78		200,210.78	8.28	
9	22			0.00		0.00		0.00					29,274,736.40	1	1.51%	1,211.09		-	-	200,210.78		200,210.78	8.28	
9	23			0.00		0.00		0.00					29,274,736.40	1	1.51%	1,211.09		-	-	200,210.78		200,210.78	8.28	
9	24			0.00		0.00		0.00					29,274,736.40	1	1.51%	1,211.09		-	-	200,210.78	(3,742.00)	196,468.78	8.28	
9	25			0.00		0.00		0.00					29,274,736.40	1	1.51%	1,211.09		-	-	196,468.78		196,468.78	8.13	
9	26			0.00		0.00		0.00					29,274,736.40	1	1.51%	1,211.09		-	-	196,468.78		196,468.78	8.13	

Sanford Health Plan
Calculation of Interst on State Group
July 1, 2017 To March 31, 2019

Date		Premium Collected	Less: Medicare Part D	Net Premium Collected	Other Premium Adjustments	(1-2.5) Total Premium	SHP Administrative Fees	(3-4) Net Premium	Claims Paid	Claims Refunded	Pharmacy Rebate	Additions to Cash Flow	(5-6+7+7.5+8.6+9) Total Cash Balance	Days	Interest Rate	Interest on Cash Flow	Additions to Cash Reserve	TOTAL Cash Reserve	Interest On Cash Reserve	Programs Cash Reserve	Changes to Programs Cash Reserve	Programs Cash Reserve Balance	Interest on Programs Cash Reserve	Medicare Part D
		(1)			(2.5)	(3)	(4)	(5)	(6)	(7)	(7.5)	(8.6)	(9)	(10)						(14)				
9	27			0.00		0.00		0.00	4,352,538.33				24,922,198.07	1	1.51%	1,211.09		-	-	196,468.78	(15,200.00)	181,268.78	8.13	
9	28			0.00		0.00		0.00					24,922,198.07	1	1.51%	1,031.03		-	-	181,268.78		181,268.78	7.50	
9	29			0.00		0.00		0.00					24,922,198.07	1	1.51%	1,031.03		-	-	181,268.78		181,268.78	7.50	
9	30			0.00		0.00	2,228,002.54	(2,228,002.54)					22,694,195.53	1	1.51%	1,031.03		-	-	181,268.78		181,268.78	7.50	
9	30	28,348,622.14	-	28,348,622.14	0.00	28,348,622.14	2,228,002.54	26,120,619.60	23,403,051.56	-	0.00	0.00	22,694,195.53	30		23,017.28	0.00	-	0.00		(18,908.87)	181,268.78	245.85	0.00
		Member count for the month was 60,205							See "Claims Paid Type" worksheet.												See "Program Payments" worksheet.			
2019																								
Balance fwd.												23,017.28	22,717,212.81	0	1.64%			-		181,268.78	245.85	181,514.63	0.00	-
10	1			0.00		0.00		0.00	2,486,667.94				20,230,544.87	1	1.64%	1,020.72		-	-	181,514.63		181,514.63	8.16	
10	2			0.00		0.00		0.00	(152.75)				20,230,697.62	1	1.64%	908.99		-	-	181,514.63		181,514.63	8.16	
10	3			0.00		0.00		0.00	152.75				20,230,544.87	1	1.64%	909.00		-	-	181,514.63		181,514.63	8.16	
10	4			0.00		0.00		0.00	4,537,090.28				15,693,454.59	1	1.64%	908.99		-	-	181,514.63		181,514.63	8.16	
10	5			0.00		0.00		0.00					15,693,454.59	1	1.64%	705.13		-	-	181,514.63		181,514.63	8.16	
10	6			0.00		0.00		0.00					15,693,454.59	1	1.64%	705.13		-	-	181,514.63		181,514.63	8.16	
10	7			0.00		0.00		0.00		49.74			15,693,504.33	1	1.64%	705.13		-	-	181,514.63		181,514.63	8.16	
10	8			0.00		0.00		0.00					15,693,504.33	1	1.64%	705.13		-	-	181,514.63		181,514.63	8.16	
10	9			0.00		0.00		0.00					15,693,504.33	1	1.64%	705.13		-	-	181,514.63		181,514.63	8.16	
10	10			0.00		0.00		0.00					15,693,504.33	1	1.64%	705.13		-	-	181,514.63		181,514.63	8.16	
10	11			0.00		0.00		0.00	6,571,044.41				9,122,459.92	1	1.64%	705.13		-	-	181,514.63		181,514.63	8.16	
10	12			0.00		0.00		0.00					9,122,459.92	1	1.64%	409.89		-	-	181,514.63		181,514.63	8.16	
10	13			0.00		0.00		0.00					9,122,459.92	1	1.64%	409.89		-	-	181,514.63		181,514.63	8.16	
10	14			0.00		0.00		0.00					9,122,459.92	1	1.64%	409.89		-	-	181,514.63		181,514.63	8.16	
10	15			0.00		0.00		0.00					9,122,459.92	1	1.64%	409.89		-	-	181,514.63		181,514.63	8.16	
10	16			0.00		0.00		0.00					9,122,459.92	1	1.64%	409.89		-	-	181,514.63		181,514.63	8.16	
10	17			0.00		0.00		0.00	2,379,920.23				6,742,539.69	1	1.64%	409.89		-	-	181,514.63		181,514.63	8.16	
10	18	28,361,119.40		28,361,119.40		28,361,119.40		28,361,119.40	4,774,257.64				30,329,401.45	1	1.64%	302.95		-	-	181,514.63		181,514.63	8.16	
10	19			0.00		0.00		0.00					30,329,401.45	1	1.64%	1,362.75		-	-	181,514.63		181,514.63	8.16	
10	20			0.00		0.00		0.00					30,329,401.45	1	1.64%	1,362.75		-	-	181,514.63		181,514.63	8.16	
10	21			0.00		0.00		0.00					30,329,401.45	1	1.64%	1,362.75		-	-	181,514.63		181,514.63	8.16	
10	22			0.00		0.00		0.00					30,329,401.45	1	1.64%	1,362.75		-	-	181,514.63		181,514.63	8.16	
10	23			0.00		0.00		0.00		86.83			30,329,488.28	1	1.64%	1,362.75		-	-	181,514.63		181,514.63	8.16	
10	24			0.00		0.00		0.00					30,329,488.28	1	1.64%	1,362.75		-	-	181,514.63		181,514.63	8.16	
10	25			0.00		0.00		0.00	4,400,767.58				25,928,720.70	1	1.64%	1,362.75		-	-	181,514.63		181,514.63	8.16	
10	26			0.00		0.00		0.00					25,928,720.70	1	1.64%	1,165.02		-	-	181,514.63		181,514.63	8.16	
10	27			0.00		0.00		0.00					25,928,720.70	1	1.64%	1,165.02		-	-	181,514.63		181,514.63	8.16	
10	28			0.00		0.00		0.00	(40.00)	280.32			25,929,041.02	1	1.64%	1,165.02		-	-	181,514.63		181,514.63	8.16	
10	29			0.00		0.00		0.00					25,929,041.02	1	1.64%	1,165.03		-	-	181,514.63		181,514.63	8.16	
10	30			0.00		0.00		0.00					25,929,041.02	1	1.64%	1,165.03		-	-	181,514.63		181,514.63	8.16	
10	31			0.00		0.00		0.00					25,929,041.02	1	1.64%	1,165.03		-	-	181,514.63		181,514.63	8.16	
10	31	28,361,119.40	-	28,361,119.40	0.00	28,361,119.40	-	28,361,119.40	25,149,708.08	416.89	0.00	0.00	25,929,041.02	31		27,975.30	0.00	-	0.00		245.85	181,514.63	252.96	0.00
		Member count for the month was 60,266							See "Claims Paid Type" worksheet.												See "Program Payments" worksheet.			
2019																								
Balance fwd.												27,975.30	25,957,016.32	0	1.54%			-		181,514.63	252.96	181,767.59	0.00	-
11	1			0.00		0.00		0.00	7,181,981.15				18,775,035.17	1	1.54%	1,095.17		-	-	181,767.59		181,767.59	7.67	
11	2			0.00		0.00		0.00					18,775,035.17	1	1.54%	792.15		-	-	181,767.59		181,767.59	7.67	
11	3			0.00		0.00		0.00					18,775,035.17	1	1.54%	792.15		-	-	181,767.59		181,767.59	7.67	
11	4			0.00		0.00		0.00		71.49			18,775,106.66	1	1.54%	792.15		-	-	181,767.59		181,767.59	7.67	
11	5			0.00		0.00		0.00					18,775,106.66	1	1.54%	792.16		-	-	181,767.59		181,767.59	7.67	
11	6			0.00		0.00		0.00					18,775,106.66	1	1.54%	792.16		-	-	181,767.59		181,767.59	7.67	
11	7			0.00		0.00	2,230,293.71	(2,230,293.71)					16,544,812.95	1	1.54%	792.16		-	-	181,767.59	(100.00)	181,667.59	7.67	
11	8			0.00		0.00		0.00	5,326,766.08				11,218,046.87	1	1.54%	698.06		-	-	181,667.59		181,667.59	7.66	
11	9			0.00		0.00		0.00					11,218,046.87	1	1.54%	473.31		-	-	181,667.59		181,667.59	7.66	
11	10			0.00		0.00		0.00					11,218,046.87	1	1.54%	473.31		-	-	181,667.59		181,667.59	7.66	
11	11			0.00		0.00		0.00					11,218,046.87	1	1.54%	473.31		-	-	181,667.59		181,667.59	7.66	
11	12			0.00		0.00		0.00					11,218,046.87	1	1.54%	473.31		-	-	181,667.59		181,667.59	7.66	
11	13			0.00		0.00		0.00		154.89			11,218,201.76	1	1.54%	473.31		-	-	181,667.59		181,667.59	7.66	
11	14			0.00		0.00		0.00					11,218,201.76	1	1.54%	473.32		-	-	181,667.59		181,667.59	7.66	
11	15			0.00		0.00		0.00	5,191,047.64				6,027,154.12	1	1.54%	473.32		-	-	181,667.59		181,667.59	7.66	
11	16			0.00		0.00		0.00					6,027,154.12	1	1.54%	254.30		-	-	181,667.59		181,667.59	7.66	
11	17			0.00		0.00		0.00					6,027,154.12	1	1.54%	254.30		-	-	181,667.59		181,667.59	7.66	
11	18			0.00		0.00		0.00	2,319,437.17				3,707,716.95	1	1.54%	254.30		-	-	181,667.59		181,667.59	7.66	
11	19	28,401,886.76		28,401,886.76		28,401,886.76		28,401,886.76	(66.59)				32,109,670.30	1	1.54%	156.44		-	-	181,667.59	(556.25)	181,111.34	7.66	
11	20			0.00		0.00		0.00	(36.20)				32,109,706.50	1	1.54%	1,354.76		-	-	181,111.34		181,111.34	7.64	
11	21			0.00		0.00		0.00					32,109,706.50	1	1.54%	1,354.77		-	-	181,111.34		181,111.34	7.64	
11	22			0.00		0.00		0.00	5,327,474.95				26,782,231.55	1	1.54%	1,354.77		-	-	181,111.34		181,111.34	7.64	

Sanford Health Plan
Calculation of Interst on State Group
July 1, 2017 To March 31, 2019

Date		Premium Collected	Less: Medicare Part D	Net Premium Collected	Other Premium Adjustments	(1-2.5) Total Premium	SHP Administrative Fees	(3-4) Net Premium	Claims Paid	Claims Refunded	Pharmacy Rebate	Additions to Cash Flow	(5-6+7+7.5+8.6+9) Total Cash Balance	Days	Interest Rate	Interest on Cash Flow	Additions to Cash Reserve	TOTAL Cash Reserve	Interest On Cash Reserve	Programs Cash Reserve	Changes to Programs Cash Reserve	Programs Cash Reserve Balance	Interest on Programs Cash Reserve	Medicare Part D
		(1)			(2.5)	(3)	(4)	(5)	(6)	(7)	(7.5)	(8.6)	(9)	(10)						(14)				
11	23			0.00		0.00		0.00					26,782,231.55	1	1.54%	1,129.99		-	-	181,111.34		181,111.34	7.64	
11	24			0.00		0.00		0.00					26,782,231.55	1	1.54%	1,129.99		-	-	181,111.34		181,111.34	7.64	
11	25			0.00		0.00		0.00					26,782,231.55	1	1.54%	1,129.99		-	-	181,111.34		181,111.34	7.64	
11	26			0.00		0.00		0.00					26,782,231.55	1	1.54%	1,129.99		-	-	181,111.34		181,111.34	7.64	
11	27			0.00		0.00	2,230,501.62	(2,230,501.62)					24,551,729.93	1	1.54%	1,129.99		-	-	181,111.34		181,111.34	7.64	
11	28			0.00		0.00		0.00					24,551,729.93	1	1.54%	1,035.88		-	-	181,111.34		181,111.34	7.64	
11	29			0.00		0.00		0.00					24,551,729.93	1	1.54%	1,035.88		-	-	181,111.34		181,111.34	7.64	
11	30			0.00		0.00		0.00					24,551,729.93	1	1.54%	1,035.88		-	-	181,111.34		181,111.34	7.64	
11	30	28,401,886.76	-	28,401,886.76	-	28,401,886.76	4,460,795.33	23,941,091.43	25,346,604.20	226.38	-	-	24,551,729.93	30.00		23,600.58	-	-	-		(403.29)	181,111.34	229.65	-
		Member count for the month was 60,276							See "Claims Paid Type" worksheet.												See "Program Payments" worksheet.			
2019 Balance fwd.												23,600.58	24,575,330.51	0	1.62%			-		181,111.34	229.65	181,340.99	0.00	-
12	1			0.00		0.00		0.00					24,575,330.51	1	1.62%	1,090.74		-	-	181,340.99		181,340.99	8.05	
12	2			0.00		0.00		0.00	2,959,343.43				21,615,987.08	1	1.62%	1,090.74		-	-	181,340.99		181,340.99	8.05	
12	3			0.00		0.00		0.00					21,615,987.08	1	1.62%	959.39		-	-	181,340.99	(75.00)	181,265.99	8.05	
12	4			0.00		0.00		0.00	(5,168.80)				21,621,155.88	1	1.62%	959.39		-	-	181,265.99		181,265.99	8.05	
12	5			0.00		0.00		0.00					21,621,155.88	1	1.62%	959.62		-	-	181,265.99		181,265.99	8.05	
12	6			0.00		0.00		0.00	6,885,474.52				14,735,681.36	1	1.62%	959.62		-	-	181,265.99		181,265.99	8.05	
12	7			0.00		0.00		0.00					14,735,681.36	1	1.62%	654.02		-	-	181,265.99		181,265.99	8.05	
12	8			0.00		0.00		0.00					14,735,681.36	1	1.62%	654.02		-	-	181,265.99		181,265.99	8.05	
12	9			0.00		0.00		0.00	(534.63)				14,736,215.99	1	1.62%	654.02		-	-	181,265.99	(575.00)	180,690.99	8.05	
12	10			0.00		0.00		0.00					14,736,215.99	1	1.62%	654.05		-	-	180,690.99		180,690.99	8.02	
12	11			0.00		0.00		0.00					14,736,215.99	1	1.62%	654.05		-	-	180,690.99		180,690.99	8.02	
12	12			0.00		0.00		0.00					14,736,215.99	1	1.62%	654.05		-	-	180,690.99		180,690.99	8.02	
12	13			0.00		0.00		0.00	5,133,548.70				9,602,667.29	1	1.62%	654.05		-	-	180,690.99		180,690.99	8.02	
12	14			0.00		0.00		0.00					9,602,667.29	1	1.62%	426.20		-	-	180,690.99		180,690.99	8.02	
12	15			0.00		0.00		0.00					9,602,667.29	1	1.62%	426.20		-	-	180,690.99		180,690.99	8.02	
12	16			0.00		0.00		0.00	2,584,282.61				7,018,384.68	1	1.62%	426.20		-	-	180,690.99		180,690.99	8.02	
12	17			0.00		0.00		0.00		187.69			7,018,572.37	1	1.62%	311.50		-	-	180,690.99		180,690.99	8.02	
12	18			0.00		0.00		0.00					7,018,572.37	1	1.62%	311.51		-	-	180,690.99		180,690.99	8.02	
12	19	28,323,128.82		28,323,128.82		28,323,128.82		28,323,128.82	(162.12)				35,341,863.31	1	1.62%	311.51		-	-	180,690.99		180,690.99	8.02	
12	20			0.00		0.00		0.00	6,192,507.35				29,149,355.96	1	1.62%	1,568.60		-	-	180,690.99	(27,561.62)	153,129.37	8.02	
12	21			0.00		0.00		0.00					29,149,355.96	1	1.62%	1,293.75		-	-	153,129.37		153,129.37	6.80	
12	22			0.00		0.00		0.00					29,149,355.96	1	1.62%	1,293.75		-	-	153,129.37		153,129.37	6.80	
12	23			0.00		0.00		0.00					29,149,355.96	1	1.62%	1,293.75		-	-	153,129.37		153,129.37	6.80	
12	24			0.00		0.00		0.00					29,149,355.96	1	1.62%	1,293.75		-	-	153,129.37		153,129.37	6.80	
12	25			0.00		0.00		0.00					29,149,355.96	1	1.62%	1,293.75		-	-	153,129.37		153,129.37	6.80	
12	26			0.00		0.00		0.00					29,149,355.96	1	1.62%	1,293.75		-	-	153,129.37		153,129.37	6.80	
12	27			0.00		0.00		0.00	4,538,064.98				24,611,290.98	1	1.62%	1,293.75		-	-	153,129.37		153,129.37	6.80	
12	28			0.00		0.00		0.00					24,611,290.98	1	1.62%	1,092.34		-	-	153,129.37		153,129.37	6.80	
12	29			0.00		0.00		0.00					24,611,290.98	1	1.62%	1,092.34		-	-	153,129.37		153,129.37	6.80	
12	30			0.00		0.00		0.00					24,611,290.98	1	1.62%	1,092.34		-	-	153,129.37		153,129.37	6.80	
12	31			0.00		0.00	2,230,413.97	(2,230,413.97)					22,380,877.01	1	1.62%	1,092.34		-	-	153,129.37		153,129.37	6.80	
12	31	28,323,128.82	-	28,323,128.82	0.00	28,323,128.82	2,230,413.97	26,092,714.85	28,287,356.04	187.69	0.00	0.00	22,380,877.01	31		27,805.09	0.00	-	0.00		(27,981.97)	153,129.37	235.47	0.00
		Member count for the month was 60,274							See "Claims Paid Type" worksheet.												See "Program Payments" worksheet.			

Exhibit 7

NDPERS

Memo

To: **NDPERS Board**

From: Bryan T. Reinhardt

Date: 1/13/2015

Re: 2015 Sanford Claims Review

Each year we conduct an audit to check the accuracy of the health plan claims processing. On January 7-8th, I was at the Sanford corporate office in Fargo to review a sample of 100 NDPERS claims. A list of the claim specifications is attached. Note that this is not a random sample of all claims, but a select sample from specific areas that we felt needed to be looked at. I focused on claims incurred in the year 2015. Sanford did a good job of having everything ready for me and having staff available to answer my questions and explain the claims payment process.

These findings are detailed below:

Review Errors/Findings:

There is a new screening 77063 for digital breast tomosynthesis that creates a 3D image. While this technology overcomes the limitations of the flat images of a mammogram, the claims I reviewed had this procedure in addition to the G0202 mammogram and 77052 computer aided detection. All three are covered under the 100% wellness services. This will be an increased plan cost for this wellness benefit.

We are seeing the G0101 code a lot with the Routine Pap Smear wellness benefit. We are paying this service as part of the wellness services. Here is a definition of this code G0101:*Medicare does pay for a screening pelvic and breast exam, yearly for high risk patients and every two years for low risk patients. Bill for this service with code G0101. Medicare also pays for obtaining a screening pap smear, using code Q0091. G0101 is defined as: Cervical or vaginal cancer screening; pelvic and clinical breast examination*

A pap claim was denied and the claim was corrected by the provider with the proper coding to process under the wellness services.

There are seven other review findings detailed in the audit response attachment where we've asked Sanford to comment.

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

NDPERS 2015 Audit of 7/2015 – present Sanford Claims Processing

1. Professional Chiropractic (2 claims)
2. Institutional COB (1 claim)
3. Institutional COB (2 with Medicare Member age 65+)
4. Institutional COB (2 with Medicare Member age <65)
5. Institutional COB (5 with Workers Compensation)
6. Professional COB (3 claims Other Insurance Plan)
7. Professional COB (2 with Medicare)
8. Professional COB (5 with Workers Compensation)
9. Institutional Psych (2 claims)
10. Professional Psych (2 claims)
11. Institutional CDU (2 claims)
12. Professional CDU (2 claims)
13. Professional PAP (5 claims) (No COB)
14. Professional Mammograms (5 claims) (No COB)
15. Professional Fecal Occult Test (5 claims) (No COB)
16. Professional Cholesterol Screening (5 claims) (No COB)
17. Professional Blood Sugar Testing (5 claims) (No COB)
18. Professional PSA Testing (5 claims) (No COB)
19. Professional Colonoscopy (5 claims) (No COB)
20. Prescription Drug Formulary (2 claims)
21. Prescription Drug Non-Formulary (2 claims)
22. Prescription Drug for "Gardasil" (HPV drug) (5 claims)
23. Prescription Drug for Flu Vaccine (5 claims) (No COB)
24. Prescription Drug Medicare Part-D claims (4 claims)
25. Institutional 'Denied Experimental' (1 claims)
26. Professional Physical Therapy (2 claims) (No COB)
27. Claims for Durable Medical Equipment (2 claims)
28. Professional from HDHP member (3 claims)
29. Office Visit for Infertility (5 claims)
30. Adult Routine Diagnosis Physical Office Visit with Screenings (4 claims)

Total 100 Claims

Exhibit 8

WORK FLOW FOR MEDICARE DEMAND LETTERS

Check the date stamp on the envelope.

Open the envelope and date stamp every piece of paper in the envelope.

Verify that the amount on the Medicare Demand letter equals to the total of the claims enclosed.

Note if there is only one member or more than one member on the demand letter. If there is only one member then file the letter and write the member's name on the folder. If there is more than one member on the demand letter, make copies of the demand letter for each member. A folder will be made for each member and that folder gets its own green hanging folder.

For example, if a letter comes in with 3 members, make sure that all claims total the demand letter amount. Next make 3 different folders, make 2 copies of the demand letter. Each folder will get a copy of the demand letter and the claims for that member. So this single demand letter is now treated like 3 separate demand letters. Each member will be worked as if it came in its own letter.

Next, verify what line of business this member is in and the coverage for that member. If the member is not covered for the date of service on the claims, then an email is sent to enrollment to contact the group to get a letter stating the coverage dates for that member.

If the member is covered by the health plan for the dates of service on the claims, verify if Sanford Health Plan previously paid the providers. If they are paid copies are made of those EOB's . The EOB's and copies of the claims are then sent to Medicare as proof of our payment along with copies of the demand letter referencing the case from the demand letter.

If the claims were not paid by Sanford Health Plan prior to receiving the demand letter the claims are entered into the system and paid. When the claims are paid the checks are sent to Medicare with copies of the claims and EOB's and the demand letter referencing the case from the demand letter.

Exhibit 11

NDPERS Dakota Wellness Program Voucher

Event Code & Point Value
(to be completed by Wellness Coordinator)

☐ One-Day Wellness Program 3,000 points

☐ Multi-Day Wellness Program 6,000 points

Event Date: ☐☐ – ☐☐ – ☐☐☐☐
M M D D C C Y Y

Event Title: _____

Print Coordinator Name: _____

Agency Name: _____

To earn points towards your wellness benefit for participating in the wellness program event, please fill out your full name and follow the instructions below to upload your completed form in the online wellness portal.

Last Name: ☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐

First Name: ☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐

1. Login to your online wellness portal at **sanfordhealthplan.com/memberlogin** or by using the My *StayWell* app.

2. Select the My Incentive trophy icon on your dashboard
   a. For a one-day wellness program select **one** 3,000 ($30 value) point ***Worksite Voucher Award*** option and drag/drop the voucher file or take a photo of this completed voucher form.
   b. For a multi-day wellness program select two 3,000 point (for a total of 6,000 points, $60 value) ***Worksite Voucher Award*** options and drag/drop the voucher file or take a photo of this completed voucher form in both options.

3. Points will be available in the redemption center three business days after submitting. If you are creating an account for the first time, allow an additional three days for wellness portal access. Redeem points for gift cards or merchandise by December 31.

Please retain a copy of this form for your records.

Exhibit 12

Walk@Work

Let's go for a walk!

May 30 | Noon
Memorial Hall

Governor Doug Burgum invites you to step up for your health. Take a quick 10-minute walk around the Capitol grounds with your co-workers to experience the benefits of incorporating physical activity into your day.

Learn more healthy habits at sanfordhealthplan.com/ndpers.

NORTH DAKOTA PUBLIC EMPLOYEES RETIREMENT SYSTEM | SANFORD HEALTH PLAN

SVHP-2886 Rev. 3/19

Exhibit 13

Dakota Wellness Program

March 2020

Inside this issue...

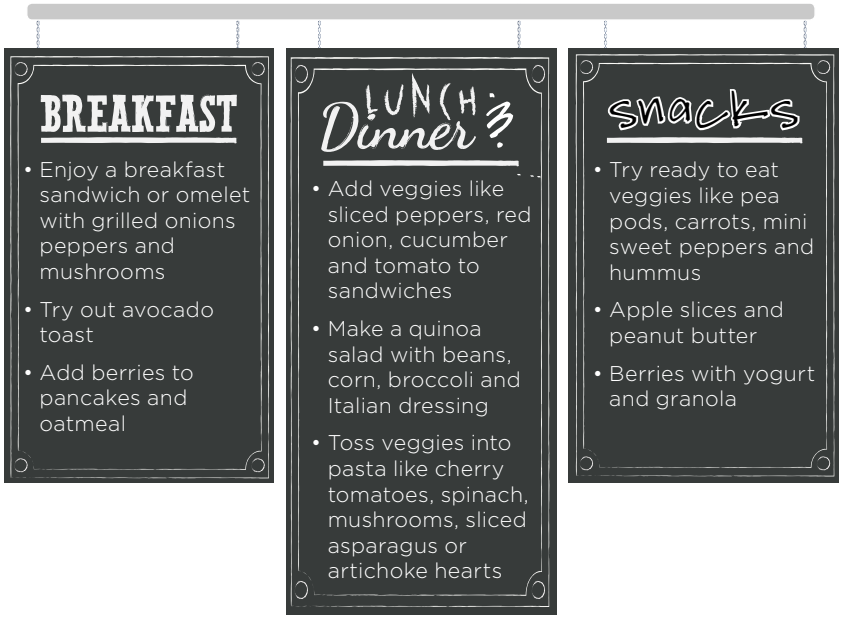
Healthy eating
Monthly book club
Social well-being
Controlling your reactions
Nicotine cessation
FoodSwitch app
Quick skillet chicken

NORTH DAKOTA PUBLIC EMPLOYEES RETIREMENT SYSTEM | SANFORD HEALTH PLAN

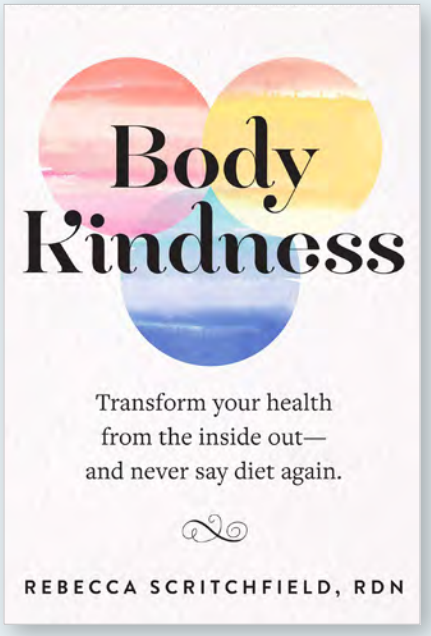
DON'T EAT LESS, **EAT MORE** and fill your plate with fruits and vegetables

Three out of four Americans consume a diet low in fruits and vegetables according to the most recent dietary guidelines research. It is recommended to consume five combined servings of fruits and veggies per day. High intakes of produce are associated with longevity and shown to reduce risk of cardiovascular disease, metabolic disorders and colorectal cancer. The vitamins, minerals, antioxidants and fiber that you get from produce helps you live a long and healthy life. Not getting these essential nutrients can speed up aging and increase disease risk, and supplements are not a substitute for a poor diet.

One of the biggest benefits of produce is fiber. This nutrient decreases cholesterol in the body and feeds your gut's microbiome. Healthy colonies of bacteria in the digestive tract help to improve digestion and absorption of nutrients; it's also associated with fewer depressive symptoms, and lower body weight.



You can even have produce in your dessert. Baked apples with cinnamon and frozen vanilla yogurt or fresh berries with angel food cake and a little bit of whipped cream are ways you can add in another serving. Consuming five servings of fruits and vegetables may seem like a lot at first. Try adding in one extra serving per day until you hit the goal. The health benefits will be worth the trouble.



Book Club

Body Kindness: Transform Your Health from the Inside Out – and Never Say Diet Again

by Rebecca Scritchfield

Imagine a graph with two lines. One indicates happiness, the other tracks how you feel about your body. If you're like millions of people, the lines do not intersect. But what if they did? Create a healthier and happier life by treating yourself with compassion rather than body shame.

The book teaches you four principals that will influence the choices you make every day. It starts with what you do and what you choose to eat, when to exercise, sleep and more. The second principal examines how you feel, the third principal will help you understand who you are and set goals based on your values. The last principal will help you find a place to belong and build a supportive community.

Body Kindness helps you let go of things you can't control and embrace the things you can by finding the workable, daily steps that fit you best. Think of it as the anti-diet book that leads to a more joyful and meaningful life.

Discussion questions

1. **Did you learn anything about dieting that surprised you?**
2. **What insights on your previous diet experience did you discover?**
3. **What is one strategy you will use to help you feel positive about your health and yourself?**
4. **Did this book spark any desires to make changes in your habits, if so what are they?**

Give it a try...

Nicotine Cessation

Whatever your reason for quitting, you can get $700 to have your out-of-pocket quitting costs covered. NDPERS has received a grant to help covered employees quit smoking or chewing tobacco. The grant pays for approved tobacco cessation counseling, medications, health care provider visits and co-pays.

Am I eligible?

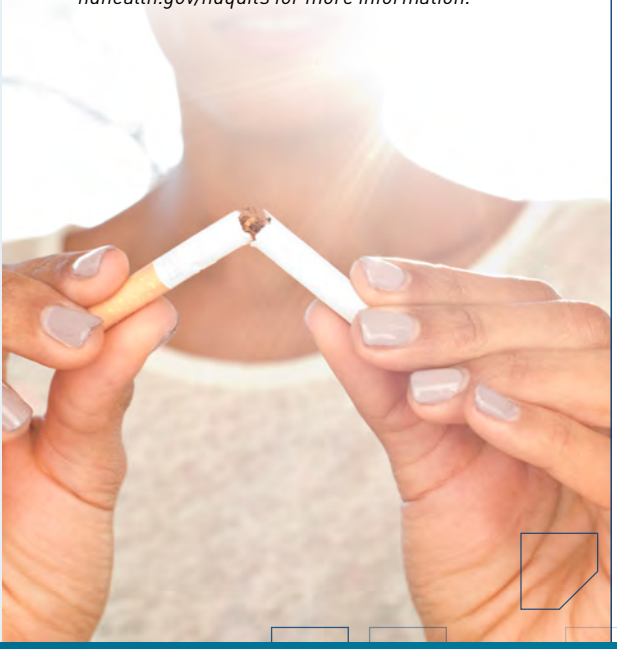
The Tobacco Cessation Program is available to current employees with NDPERS health coverage, of:

- State of North Dakota
- North Dakota University system
- District health units
- Garrison Diversion Conservation District

Covered dependents age 18 and over are also eligible.

Visit **SANFORDHEALTHPLAN.ORG/NDPERS/TOBACCO-CESSATION-PROGRAM** to learn more about the quitting costs that are covered and to enroll online.

City, county and other members of the NDPERS group are not eligible for this program, but help is available through ND Quits. Call (800) QUIT-NOW or visit ndhealth.gov/ndquits for more information.



Unhooking from negative emotions and reactions

Work can be stressful. There's no way around it. But what if there were a way to train yourself in your reactions to the stressors experienced in the workplace. Becoming more self-aware can help you become more proactive and more fulfilled at work. Here are tips to help you get unstuck and unhook from reacting negatively in the workplace.

SHOW UP

Label your thoughts, positive or negative, and take personal accountability for them so you can get to the root of what's bothering you.

Example: "I'm not good at giving a presentation" doesn't get to the root of why you feel that way. Shift to, "I feel nervous and lack confidence in front of crowds." Now you may find it easier to identify resources to support you to improve this skill.

STEP BACK

Momentarily detach from the situation. If your emotions weren't present, what would be the most appropriate response to this situation? Knowing what triggers you in the workplace (being interrupted or unclear direction) will help you navigate to a level-headed response to any situation.

MOVE ON

Give yourself permission to not react to every emotion or thought. This small shift to your mindset can help you unhook from negative patterns that hinder your success.

Connect with others for social well-being

Take a moment to think about the last time you were truly joyful and had fun. Who were you with during this wonderful memory? Or were you alone? Likely this memory involved others. Good social habits, like spending time with others on a regular basis, can support your physical and emotional health. Those around you influence what you choose to eat, the emotional state that you feel today and in the future. Spending time with others is one of the best ways to build new and solidify existing relationships.

Here are some simple ways to spend time with others to improve the quality of your relationships:

1. Plan a regular healthy lunch date
2. Start a club: books, dinner or another favorite topic/activity
3. Spend your 15 minute break at work by talking with a co-worker
4. Go on a walk with a friend or family member
5. Call or text someone to let them know you are thinking of them
6. Take up a hobby and invite others to join you on a regular basis
7. Volunteer

Activate!

FOODSWITCH APP

Make healthier choices easy for you and your family. Simply scan a barcode from a food package to get nutrition information, health star rating and a list of healthier choices to substitute and make your meals healthier – one food at a time.

- Features traffic light type labels so you can see what nutrients to choose more of and which to avoid
- Compare the nutrition information of up to 10 similar food products
- Create shopping lists so you have new foods to purchase on your next trip to the store

Download the app today on Android or iOS and scan the food products in your pantry or refrigerator to see if you have the healthiest option or a less healthy one. Or use the app in the grocery store to compare canned, boxed, lunch meats, cheese and other fresh name brand packaged foods.

Download the FOODSWITCH APP for IOS or Android

Download on the App Store | GET IT ON Google Play

Monthly Observances

Brain injury
Colorectal cancer
Kidney
Multiple Sclerosis
Nutrition

3—Birth defects
15-21—Poison prevention
24—Diabetes alert

QUICK LINKS

sanfordhealthplan.com/ndpers

SET-UP A *my*SanfordHealthPlan ONLINE ACCOUNT

sanfordhealthplan.com/memberlogin

CONTACT US

NDPERSwellness@sanfordhealthplan.com
(800) 499-3416

Quick skillet chicken

Serves: 4
Total Time: 45 min | Prep: 15 min

Ingredients:

1 tablespoon olive oil
1 ½ pound skinless, boneless chicken breast halves, cut into bite-size pieces
2 teaspoon poultry seasoning, or to taste
1/2 teaspoon ground black pepper to taste
1 1/2 cups water (for fresh pasta only)
1-16 ounce package fresh or dry whole grain angel hair pasta, cut into thirds
1-10 ounce package frozen peas
1 cup sliced fresh mushrooms (optional)
2 splashes white wine
2 tablespoons garlic powder, or to taste
1-6 ounce bag fresh spinach
1/4 cup grated Parmesan cheese, or to taste

Directions:

Heat oil in a large skillet over medium heat. Place chicken in hot oil and sprinkle with poultry seasoning and black pepper. Cook and stir chicken in hot oil until no longer pink, 5 to 8 minutes. If using dry pasta to start, boil water in a separate pan and cook pasta for 8 minutes. Drain water, reserving ½ cup of the liquid. Pour water into skillet and bring to a simmer. Stir angel hair pasta, peas, and mushrooms into skillet; cook until pasta is tender, 4 to 5 minutes. Stir wine and garlic powder into pasta mixture. Add spinach and stir until spinach wilts, about 2 minutes. Sprinkle individual servings with Parmesan cheese.

Nutrition Facts:

Calories: 512 Total Fat: 10g Sodium: 197mg Total Carbohydrates: 60g
Dietary Fiber: 11g Total Protein: 51g

Nutrition information compiled using MyNetDiary.com

Monthly Wellness Coordinator Update

Dakota Wellness Program

March 2020

Exhibit 14

Monthly Well-being Education

Don't eat less, eat more: Fill your plate with fruits and vegetables

Three out of four Americans consume a diet low in fruits and vegetables according to the most recent dietary guidelines research. It is recommended to consume five combined servings of fruits and veggies per day. High intakes of produce are associated with longevity and shown to reduce risk of cardiovascular disease, metabolic disorders and colorectal cancer. Not getting these essential nutrients can speed up aging and increase disease risk, and supplements are not a substitute for a poor diet.

We spend most of our waking hours at work, so creating a healthy food environment is key to help employees consume more fruits and vegetables.

- Remove unhealthy snacks from vending machines and provide access to fruits and vegetables instead
- Serve fruits and vegetables at meetings and events hosted by the employer
- Create new opportunities for access to fruits and vegetables through farmers markets, community supported agriculture or community gardens

Wellness Challenge Solution

Challenge Runner

Looking to host a wellness challenge with employees at your agency? The Sanford Health Plan wellness team regularly uses a free and simple online wellness challenge tool. Visit **challengerunner.com** to create your employer account.

With your own personalized account you can:

- Create a customized tracking challenge and utilize the program pre-built challenge templates
- View your employees individual tracking information for reporting purposes
- Use the companion app to make your wellness challenge easy for employees to track on the go

Reminder: Be mindful of the type of information you plan to collect while using this tool for your wellness challenge. Do not ask employees to track personal health information like actual weight or other data that may be sensitive in nature for co-workers to view while using an electronic challenge option.

Dakota Wellness Program

2020 Dakota Wellness Program

Sanford Health Plan has several tools you can use to promote the Dakota Wellness Program. Regular reminders of the wellness program is important to keep employees engaged throughout the year. A few of the options that Sanford Health Plan provides:

- Direct emails to employees from Sanford Health Plan and emails for you to share with employees which are sent via the wellness coordinator list serve
- Onsite Dakota Wellness Program Overview presentation and coming soon a 2020 recorded webinar version
- A wellness program brochure to place in employee break rooms or email to all employees with your personal message
- A **My Staywell App poster** to hang in the office to promote quick and easy health tracking to earn points towards the 2020 wellness benefit

Inside this issue…

View past coordinator newsletters
View past coordinator webinars

Monthly Book Club

Body Kindness: Transform Your Health from the Inside Out--and Never Say Diet Again
by Rebecca Scritchfield

Download poster
Download flyer

Wellness Coordinator Reminders and Announcements

2020 Voucher Program

Members can now upload vouchers to the online wellness portal

With the launch of the 2020 wellness benefit year, members are now able to earn their voucher points right after participating in onsite events.

After your wellness activity in the workplace is complete:

1. Wellness coordinators fill out the event code and point value section of the form
2. Distribute to employees after attending a wellness event via email or printed copy
3. Employees follow instructions on the form to upload to the online wellness portal

Reminder: Any completed voucher forms that were not turned into Sanford Health Plan prior to December 2019 should be uploaded by the employee in their online wellness portal. Sanford Health Plan will no longer process voucher forms.

Download your 2020 voucher form here

Contact your wellness team

Wellness Benefits
Angela Oberg
ndperswellness@sanfordhealthplan.com
(701) 323-2132

Western Region
Rachel Iverson
rachel.iverson@sanfordhealth.org
(701) 323-6069

Eastern Region
Alexis Allen
alexis.allen@sanfordhealth.org
(701) 417-6537

Exhibit 15

NDPERS Wellness Coordinator Webinar

February 25, 2020

Presented by: Lindsay Stern, Senior Wellness Programs Specialist

SANFORD HEALTH PLAN

Today's Agenda

1. Wellness Challenge Tool
2. Monthly Well-being feature: Increasing fruit and vegetable intake
3. Wellness Coordinator updates and reminders

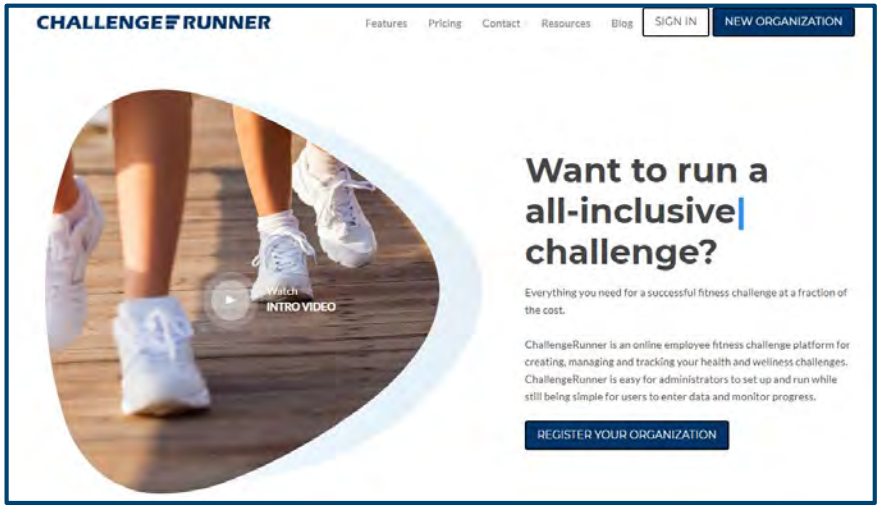
Wellness Challenges

SANFORD HEALTH PLAN

Challengerunner.com/

Online employee fitness challenge platform

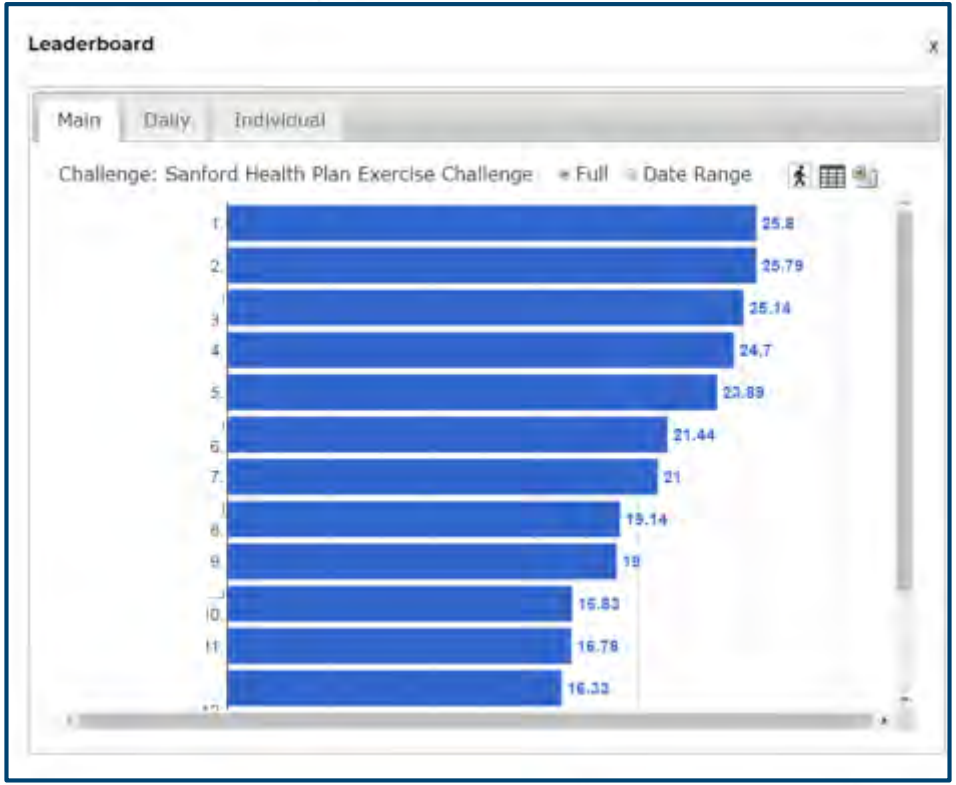
- Create a free account (ad supported)
- Check out the resources tab for challenge templates or build your own
  - Provides guided challenge set-up and information
  - Admin How-to Guide
- Invite employees to register and sign-up online in your personalized group page



Challengerunner.com/

Online employee fitness challenge platform

- Real time leaderboard
- App to use for checking into challenge
- Backtracking throughout the entire challenge
- Download participant:
  - Names
  - Email
  - Team name
  - Data as entered



Employer Based Wellness Program

SANFORD HEALTH PLAN

2020 Voucher Program

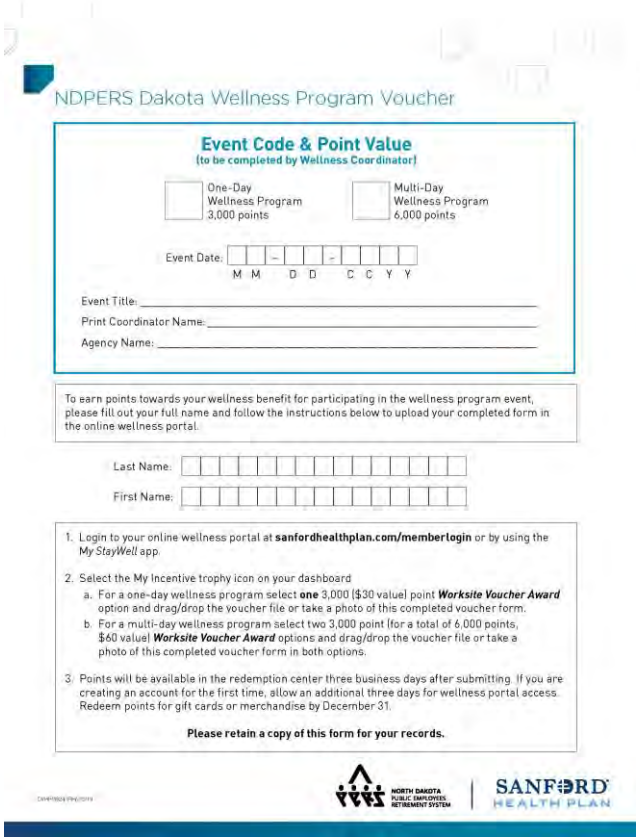
Worksite voucher award

Wellness Coordinators host workplace activities

- One day activity for 3,000 points
- Multi-day activity for 6,000 points

Distribute new voucher form to participants at time of completion of the event

- Form can be uploaded on a desktop or using the My Staywell App



NDPERS Dakota Wellness Program Voucher

Event Code & Point Value
(to be completed by Wellness Coordinator)

☐ One-Day Wellness Program 3,000 points

☐ Multi-Day Wellness Program 6,000 points

Event Date: ☐☐ – ☐☐ – ☐☐☐☐ (M M D D C C Y Y)

Event Title: _____

Print Coordinator Name: _____

Agency Name: _____

To earn points towards your wellness benefit for participating in the wellness program event, please fill out your full name and follow the instructions below to upload your completed form in the online wellness portal.

Last Name: _____

First Name: _____

1. Login to your online wellness portal at **sanfordhealthplan.com/memberlogin** or by using the *My StayWell* app.
2. Select the My Incentive trophy icon on your dashboard
   a. For a one-day wellness program select **one** 3,000 ($30 value) point ***Worksite Voucher Award*** option and drag/drop the voucher file or take a photo of this completed voucher form.
   b. For a multi-day wellness program select two 3,000 point (for a total of 6,000 points, $60 value) ***Worksite Voucher Award*** options and drag/drop the voucher file or take a photo of this completed voucher form in both options.
3. Points will be available in the redemption center three business days after submitting. If you are creating an account for the first time, allow an additional three days for wellness portal access. Redeem points for gift cards or merchandise by December 31.

Please retain a copy of this form for your records.

NORTH DAKOTA PUBLIC EMPLOYEES RETIREMENT SYSTEM | SANFORD HEALTH PLAN

2020 Voucher Program

Worksite voucher award

- Members will be able to redeem 15,000 points from voucher activities in 2020
- Voucher points for activities from July 1 to December 1, 2019 that were submitted to Sanford Health Plan will have the worksite voucher awards automatically completed for the member according to the number vouchers submitted
- Any July 2019 or later voucher not turned into Sanford Health Plan should be uploaded by the member in their personal wellness portal

Well-being Theme

SANFORD HEALTH PLAN

Healthy Food Environment

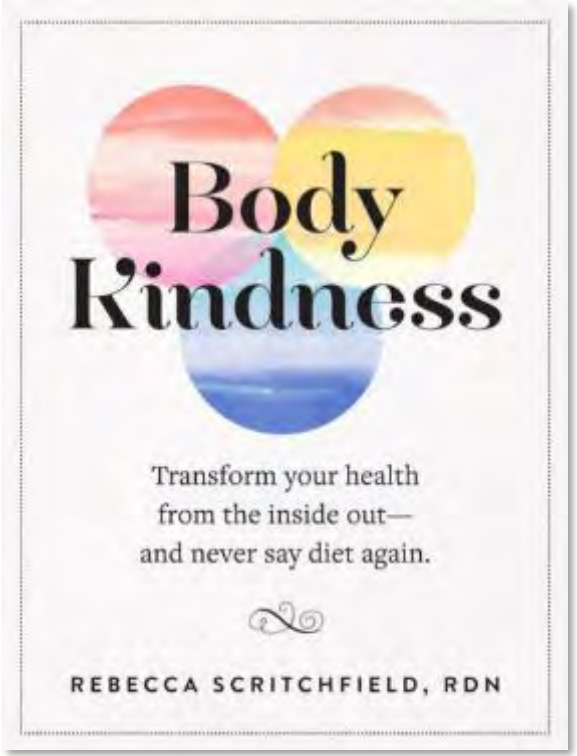
Access

- Remove unhealthy snacks from vending machines
- Serve fruits and vegetables at meetings and events hosted by the employer
- Create new opportunities for access to fruits and vegetables:
  - Farmers markets
  - Community supported agriculture drop off
  - Community garden

Healthy Food Environment

Knowledge and Motivation

- Host a Sanford Health Plan presentation or Registered Dietitian on nutrition
- Nutrition Consultations



Monthly Book Club

Body Kindness: Transform Your Health from the Inside Out-- and Never Say Diet Again

by Rebecca Scritchfield

Monthly Well-being Resources

- Newsletter
- Flyer (8.5 x 11 inches)
- Poster (11 x 17 inches)

Questions?

SANFORD HEALTH PLAN

Wrap Up

SANFORD HEALTH PLAN

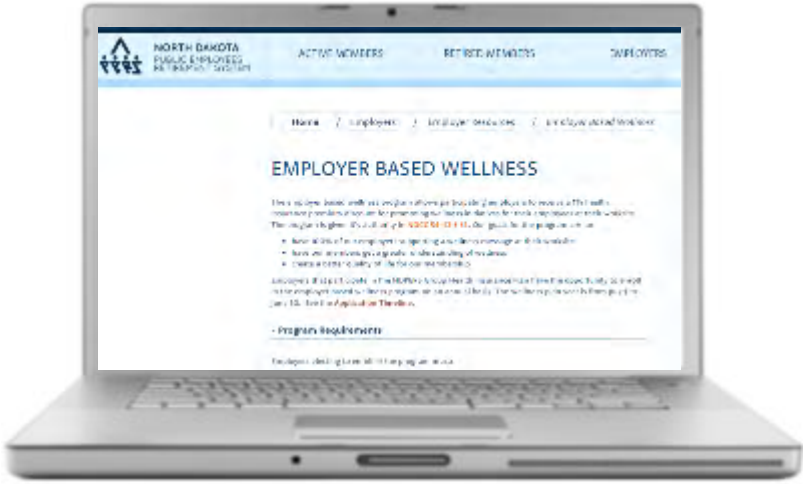
Walk at Work Day 2020

Dates and times for our May 2020 event will be announced soon.

- We are going to ask those that are live on the webinar a quick polling question about your favorite door prizes for employees at your events

If you have other ideas for prizes , we want to hear from you!

Send us an email at *NDPERSwellness@sanfordhealthplan.com*



Applications Due

Employer Based Wellness Program

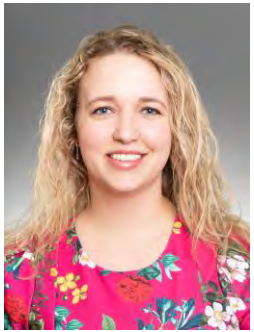
Send in by February 28

- Submit your Wellness Program Discount Application SFN 58436
- If you intend to request funding, submit the Wellness Benefit Funding Program Application SFN 58361 to NDPERS for the upcoming plan year

Contact Rebecca Fricke for more information at rfricke@nd.gov

Wellness Coordinator Contacts

Eastern Region
Alexis Allen
alexis.allen@sanfordhealth.org
(701) 417-6537



Western Region
Rachel Iverson
rachel.iverson@sanfordhealth.org
(701) 323-6069

Member Questions

For help with fitness center reimbursements, point accrual or the online redemption center, contact the wellness team at NDPERSwellness@sanfordhealthplan.com

For new online account set-up or questions navigating the Sanford Health Plan website, contact customer service
Monday-Friday
8 a.m. to 5:30 p.m.
(800) 499-3416

April 2020
Well-being Theme

Career Well-being

Tuesday,
March 24
10 a.m. CST

Sign up for the entire
2020 webinar series

Wellness challenges

Trying out a new habit is one of the best ways to make a permanent lifestyle change. We offer a variety of ways for employees to try out new habits in nutrition, physical activity, financial fitness, stress management, sleep and weight loss, along with goal setting and habit change.

Written education

To increase health and wellness knowledge in your workplace, we provide monthly written education. This includes a themed newsletter to share with employees with featured articles, recipes and small actions that make a big difference. A poster to hang in your workplace and a book club selection are also available.

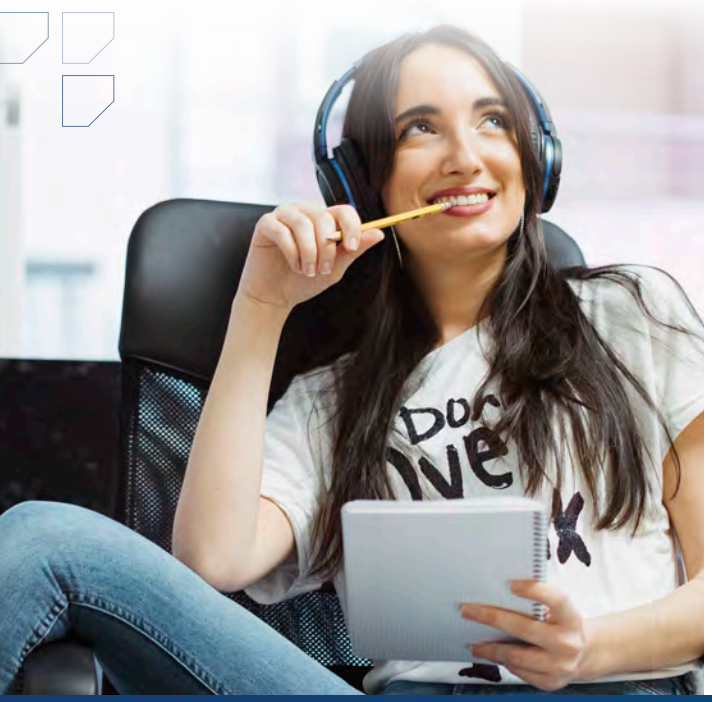
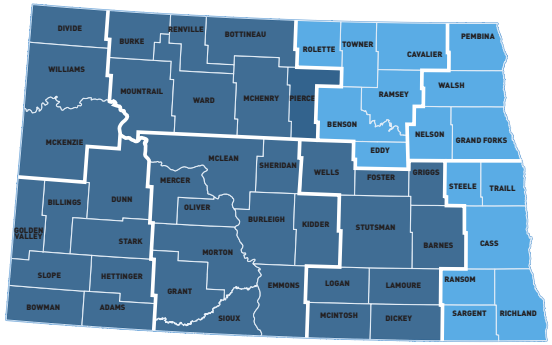


Exhibit 16



Contact your wellness educator to bring Sanford Health Plan's well-being education to your workplace at no cost.

Western Region
Rachel Iverson
rachel.iverson@
sanfordhealth.org
(701) 323-6069

Eastern Region
Alexis Allen
alexis.allen@
sanfordhealth.org
(701) 417-6537

sanfordhealthplan.com

NORTH DAKOTA PUBLIC EMPLOYEES RETIREMENT SYSTEM | SANFORD HEALTH PLAN

Well-being education

NORTH DAKOTA PUBLIC EMPLOYEES RETIREMENT SYSTEM | SANFORD HEALTH PLAN

Trainings and webinars

Our team of experts provide interactive and engaging trainings in all areas of health and well-being. These are available to you in person or through a live webinar.

Our offerings include:

- **Body Mechanics and Posture:** Build a solid foundation to energize movement and prevent injuries
- **Cancer Prevention:** Review healthy habits to reduce risk for certain cancers and recommended screenings to catch cancer early
- **Dakota Wellness Program:** Engage employees in earning their $250 wellness benefit
- **Flourishing Financially:** Review the ways your choices to spend or save impact overall well-being
- **Five Star Sleep:** Learn to create healthy conditions that promote the rest and recharge we need to be safe and productive at work
- **Get Moving at Work:** Learn about the harmful effects sitting too often has on your health and how to add exercise to your workday
- **Gratitude:** Create positive thoughts and actions using gratitude to improve your overall well-being

- **Healthy Meals in a Hurry:** Set yourself up for success to shop, plan and cook healthy meals
- **Love Your Job:** Explore new ways to think about and cope with the same old hustle and bustle
- **Make it Happen:** Set yourself up for lasting change and create an action plan to reach your goals
- **Mindful Eating:** Break away from poor eating habits and establish a healthy relationship with food
- **Mindfulness:** This four-week course offers an introduction to the foundations of mindfulness including stress reduction, self-awareness, focus and connectivity by practicing neuro-science based techniques
- **Overcoming Stress:** Review the sources of stress and techniques to reduce it
- **Quit Clinic:** Jump-start your journey to being nicotine free by exploring ways to crush cravings and developing important skills for handling tough moments
- **Self-care for Pain:** Develop a personal self-care plan to reduce and manage pain
- **Well-being for Prevention:** Discover what it means to thrive in all six areas of well-being and its impact on overall health

Exhibit 17

Dakota Wellness Program
2020 Wellness Benefit

SANFORD HEALTH PLAN

Dakota Wellness Program

How to earn your $250 incentive

- There are 3 ways to earn your $250
  1. Fitness center reimbursement
  2. Worksite events (vouchers)
  3. Online wellness portal
- You are required to take the annual health risk assessment in the wellness portal in order to redeem points or receive fitness payments
- Taxability
  - Administered by payroll

Dakota Wellness Program

2020 Wellness benefit eligibility

- NDPERS employees and their covered spouses are each eligible to earn $250 per year in wellness benefits ($500 per household)

Get Started

SANFORD HEALTH PLAN

Your Privacy Matters

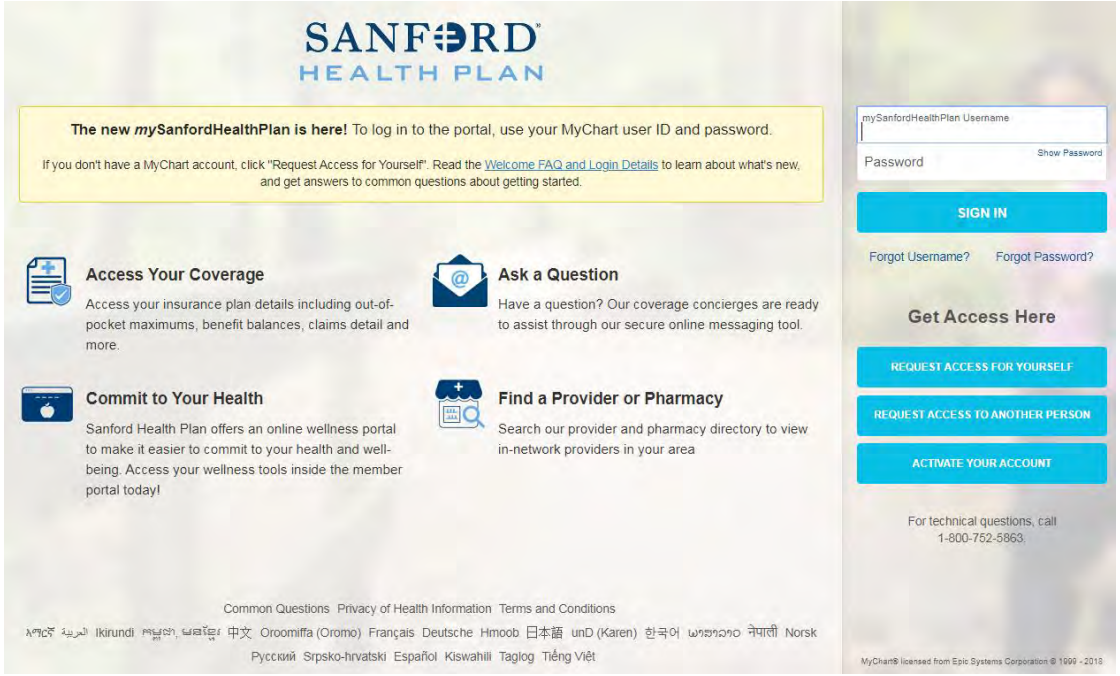
Information collected as a part of the Dakota Wellness Program is confidential

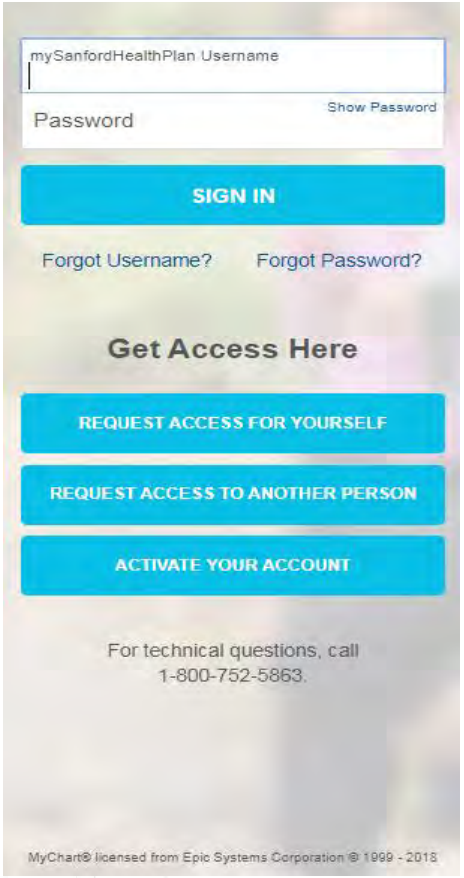
- Health risk assessment health information is not used by Sanford Health Plan to increase your premiums

- Your individual health information and wellness program activities are never shared with your employer

New *mySanfordHealthPlan*

Get started today





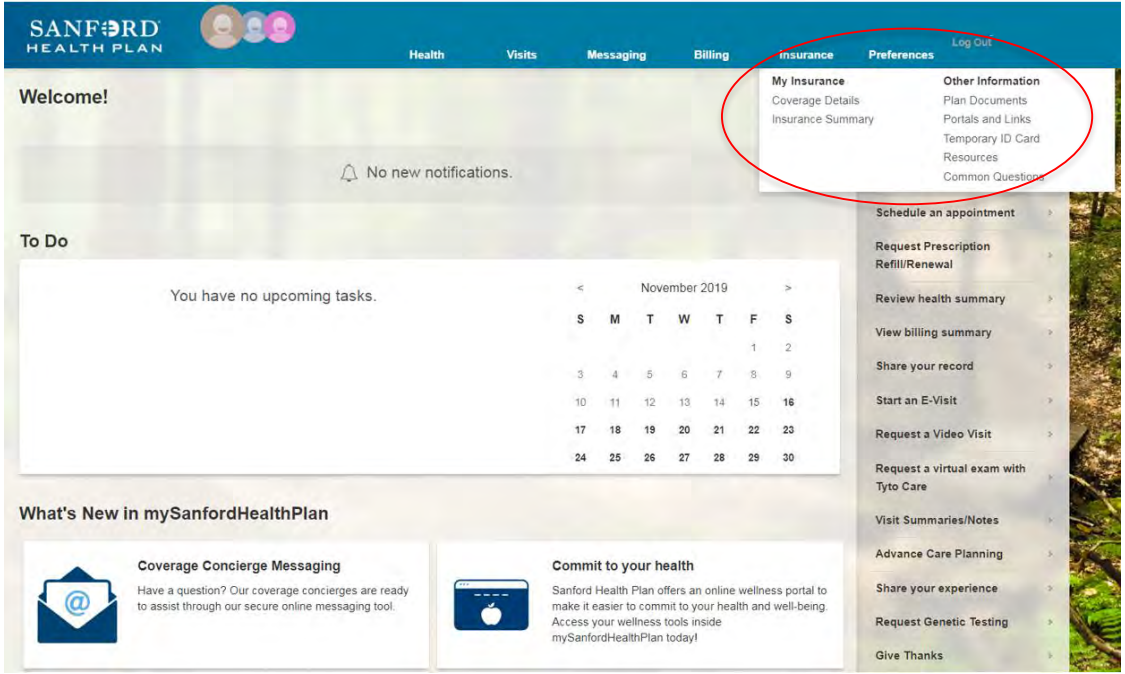
Online Wellness Portal

Get started today

- Log on to your account at Sanfordhealthplan.com/memberlogin
- Use the "Forgot Username and Password" option if needed
- Members who do not have a My Chart account or do not receive care at Sanford need to create an account click "Request Access for Yourself"

Online Wellness Portal

Get started today



1. Visit the Insurance tab
2. Choose Portals and Links from the dropdown

Wellness Portal

- Take your health assessment (required)
- Earn points

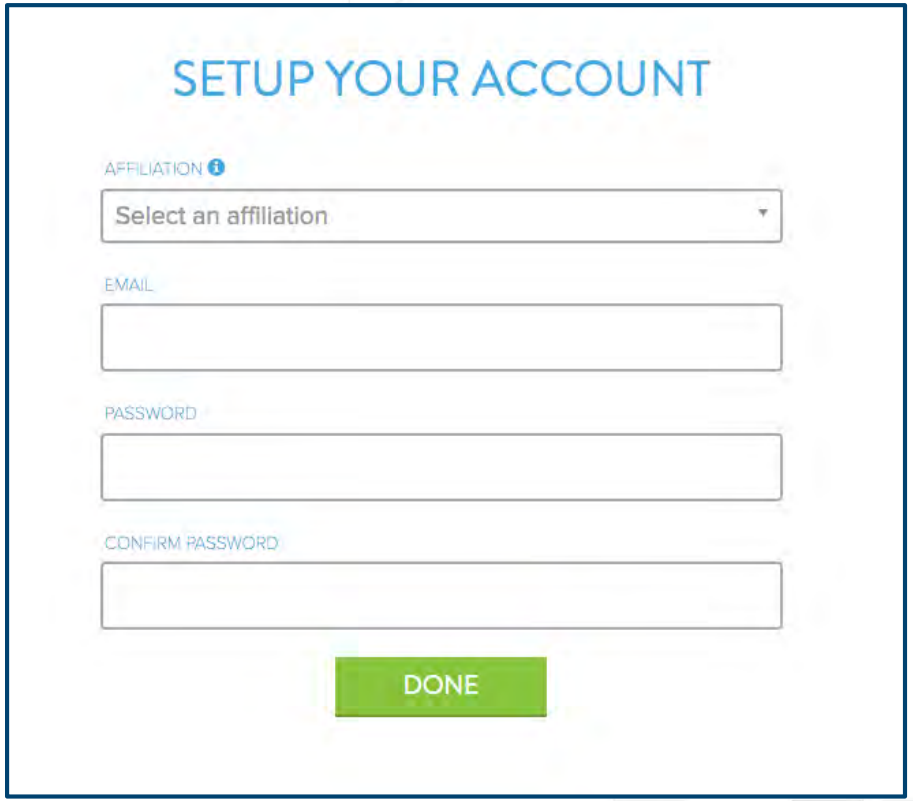
Redemption Center

- Redeem points
- View past orders

Online Wellness Portal

Engage in your health and well-being

- Choose your affiliation
- Set-up your credentials to use the app



Take Your Health Risk Assessment

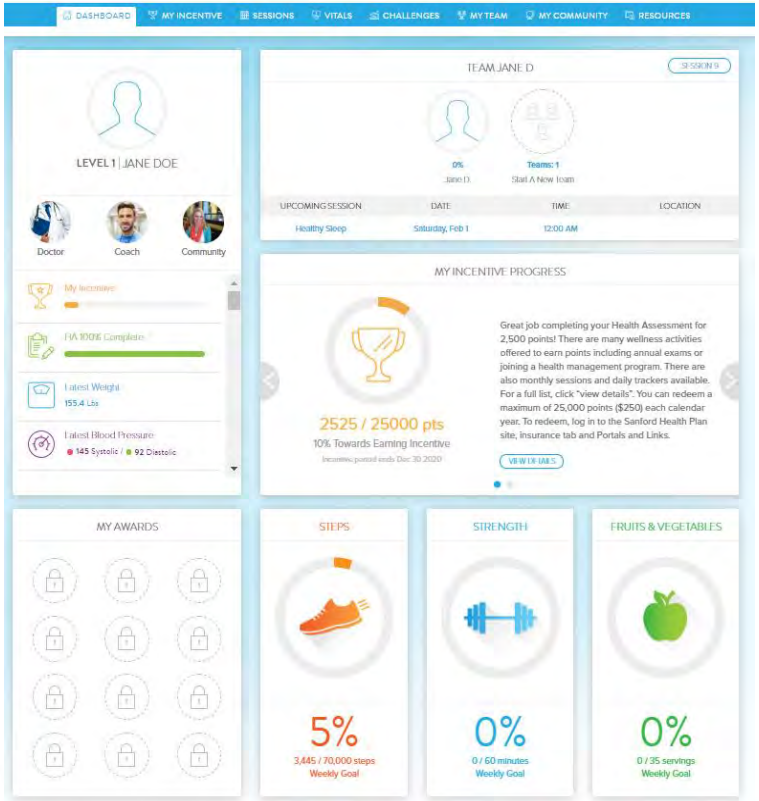
Decrease your disease risk

Take A Tour

Features

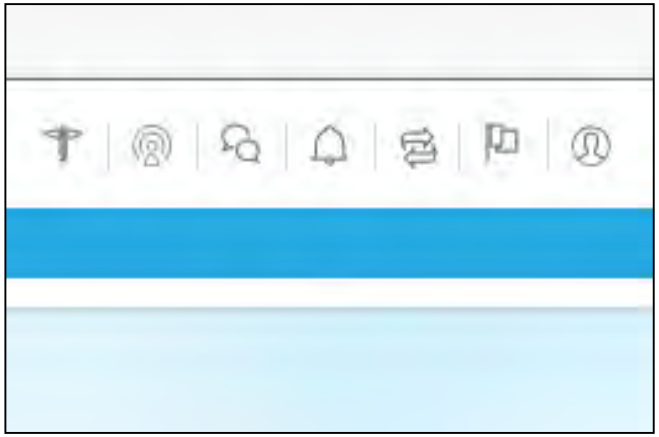
Doc & Coach Chat

Health Trackers



Incentive Progress

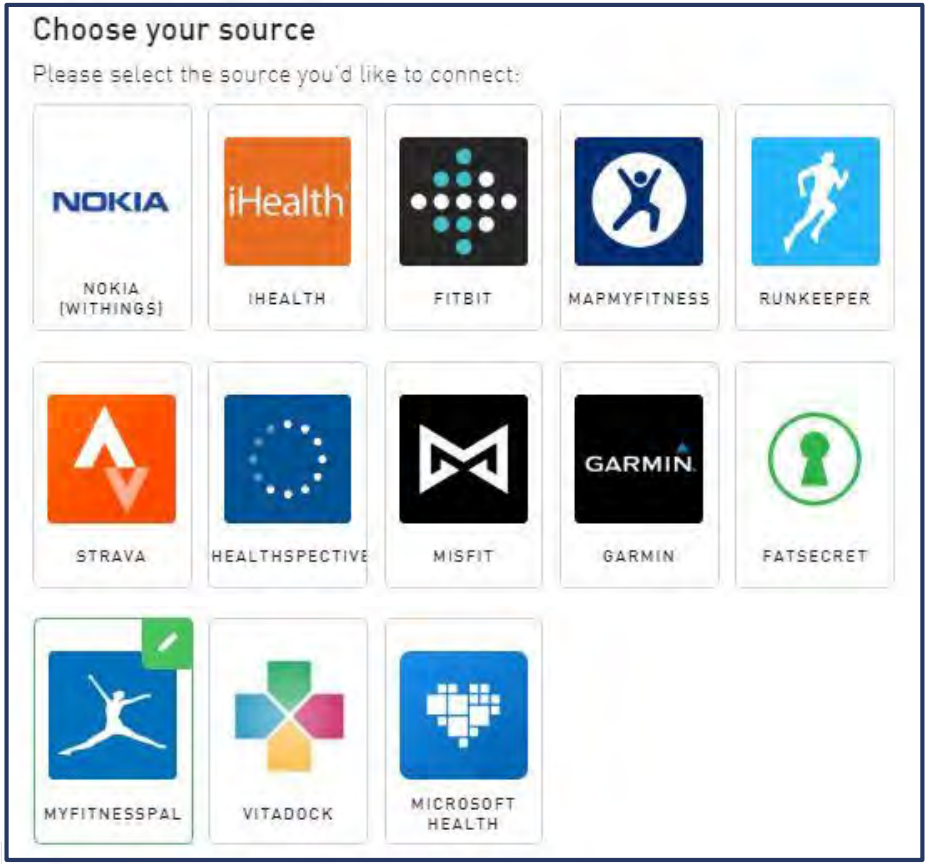
Challenge Goals



Visit the Toolbar

Quick links to manage your account

- Chat with a doctor
- Sync a device
- Chat with your team
- Notifications
- Levels and teams
- Help and tours
- Visit your profile



Visit the Toolbar

Sync a fitness device

Sync your fitness tracking device and earn 25 points everyday

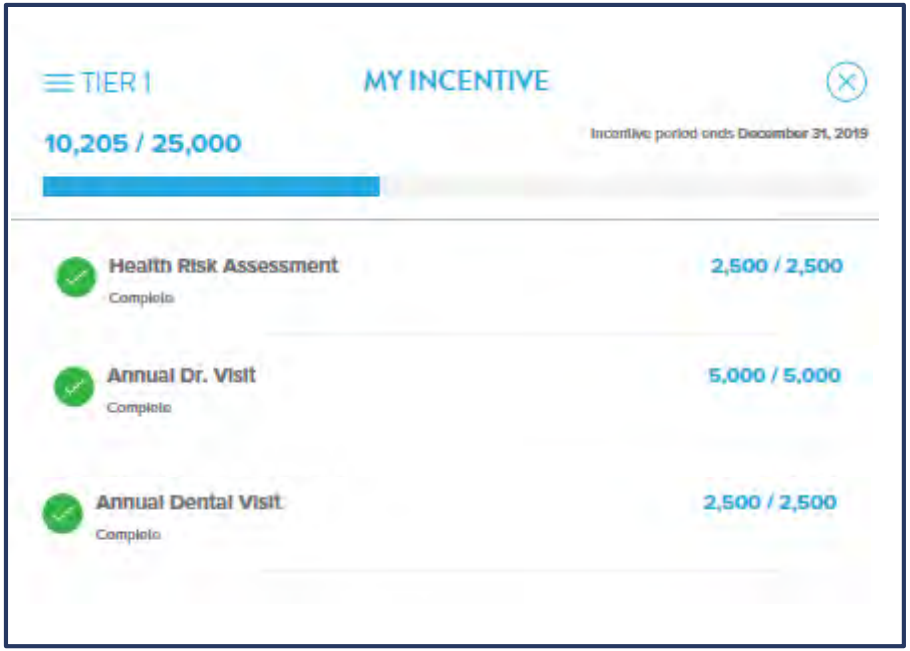
2020 Wellness Benefit

Earn your benefit through preventive care

2,500 points:
Health Risk Assessment

5,000 points:
Annual Health Exam

2,500 points:
Annual Dental Exam



2020 Wellness Benefit

Tracking your health is easy

Log in to track activities as often as you want, to stay on track with your health goals

Earn Your Wellness Benefit Online

Challenges
- Steps
- Fruits & Vegetables
- Strength

Health trackers
- Latest Weight
- Low Calorie Snacks
- Cups of Water
- Aerobic Exercise

Monthly Sessions
- New topic released at the beginning of every month
- Features a game or quiz, reading material and a new habit to try out
- Includes topics like energy balance, fats and sleep

Earn Your Wellness Benefit Online

- Complete your Preventive Care visits annually for 10,000 points
- Learn new health habits every month in a Session for 1,000 points
- Track your health in the Activity Trackers daily and earn 5 to 40 points per activity

Point Conversion	
1,000 Points	= $10
2,500 Points	= $25
5.000 Points	= $50
10,000 Points	= $100

Remember: Fitness center reimbursement payments count toward the $250 annual maximum.

Online Wellness Portal

Engage in your health and well-being

- Download the app to track your health and wellness on the go

My StayWell App

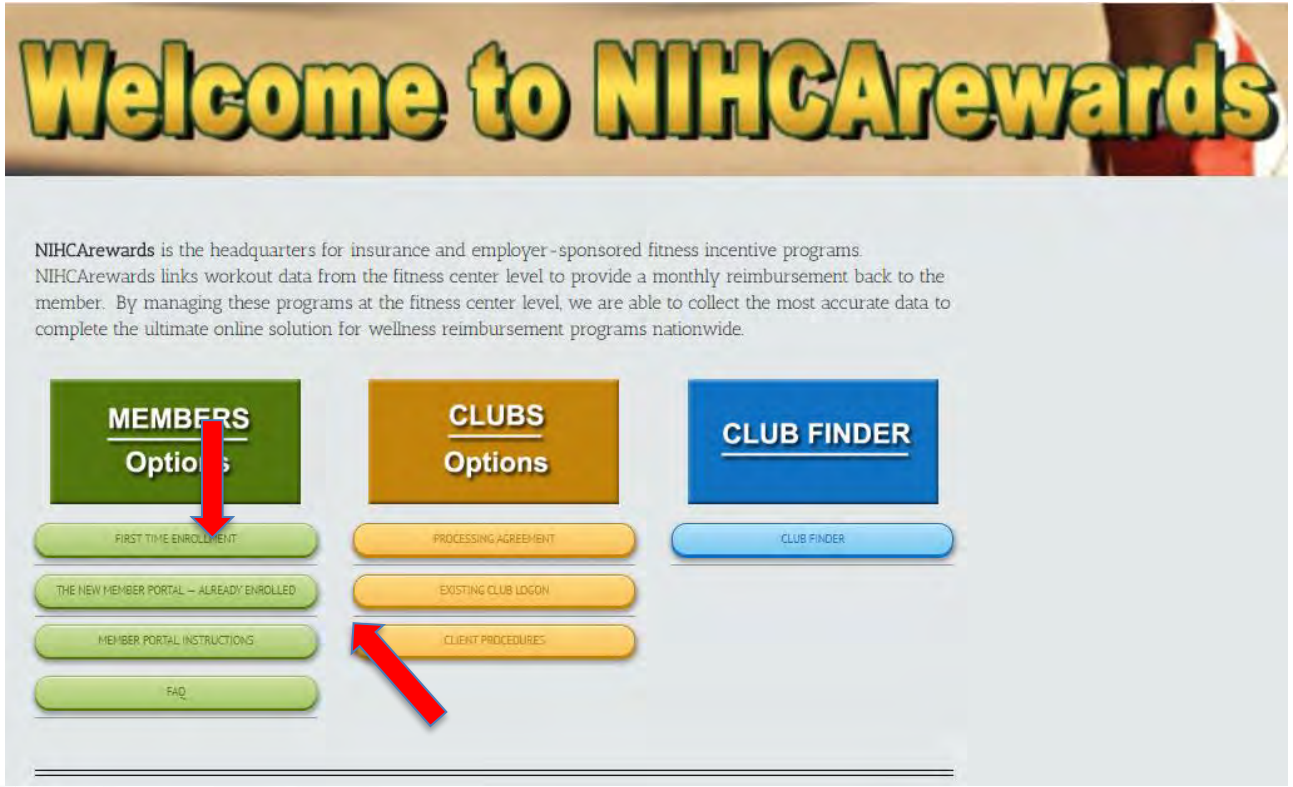
Fitness Center Reimbursement

SANFORD HEALTH PLAN

Fitness Center Reimbursement

Overview

- Sign up to participate in the program
- Visit your local gym or fitness center a minimum of 12 days per month
- Receive reimbursement for your monthly membership fee, up to $20 per month
- Direct deposits are made on the 21st of the month following workout month
  - *Example: June workouts paid on July 21st*

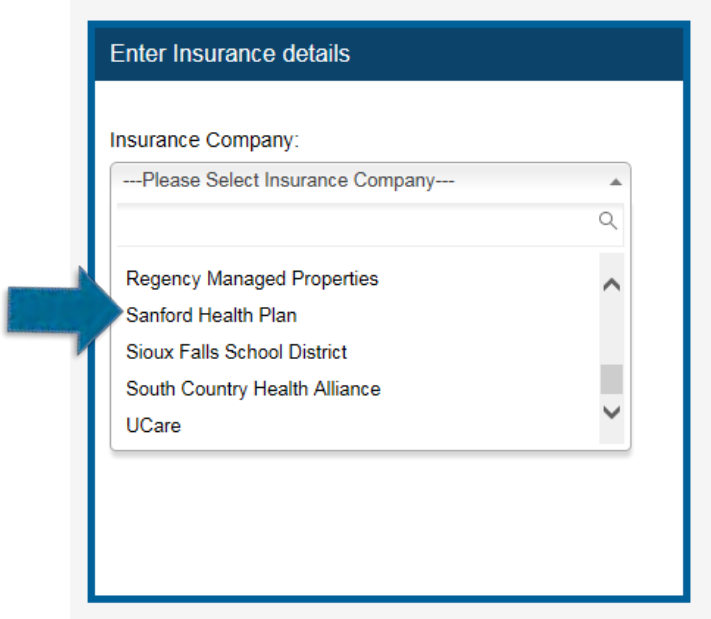


Go to: NIHCArewards.org

- New participants click "*First Time Enrollment*"
- Returning participants click "*New Member Portal- Already enrolled*"

Fitness Center Reimbursement

Online enrollment process



- *New participants* will enter their contact, health plan and banking information. Returning participants will review and update any changes, including:
  - Health insurance coverage
  - Banking information
  - Gym or fitness center

- Annual Health Assessment is required

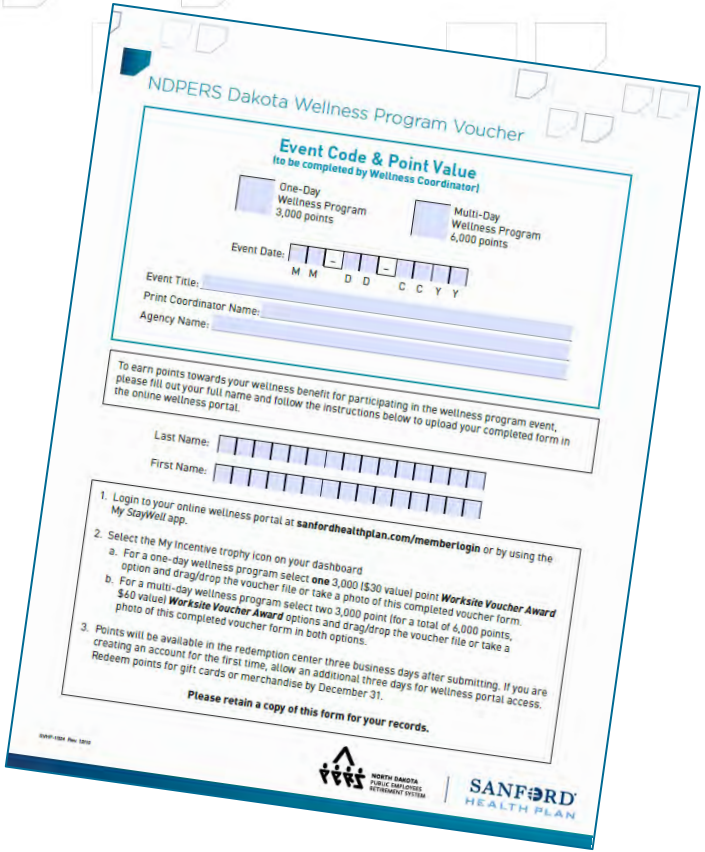
Worksite Programming

SANFORD HEALTH PLAN

Worksite Events (Vouchers)

Overview

- Participate in workplace events led by Sanford Health Plan's Wellness team or by an NDPERS Wellness Coordinator
  - Single day events—3,000 points
  - Multi-day events—6,000 points
- After the event, your wellness coordinator will distribute a voucher form
- Follow the instructions on the form to upload a copy to your online wellness portal
- Receive your points right away!



NDPERS Dakota Wellness Program Voucher

Event Code & Point Value
(to be completed by Wellness Coordinator)

One-Day Wellness Program 3,000 points

Multi-Day Wellness Program 6,000 points

Event Date: M M - D D - C C Y Y

Event Title:

Print Coordinator Name:

Agency Name:

To earn points towards your wellness benefit for participating in the wellness program event, please fill out your full name and follow the instructions below to upload your completed form in the online wellness portal.

Last Name:

First Name:

1. Login to your online wellness portal at **sanfordhealthplan.com/memberlogin** or by using the *My StayWell* app.
2. Select the My Incentive trophy icon on your dashboard
   a. For a one-day wellness program select **one** 3,000 ($30 value) point ***Worksite Voucher Award*** option and drag/drop the voucher file or take a photo of this completed voucher form.
   b. For a multi-day wellness program select two 3,000 point (for a total of 6,000 points, $60 value) ***Worksite Voucher Award*** options and drag/drop the voucher file or take a photo of this completed voucher form in both options.
3. Points will be available in the redemption center three business days after submitting. If you are creating an account for the first time, allow an additional three days for wellness portal access. Redeem points for gift cards or merchandise by December 31.

Please retain a copy of this form for your records.

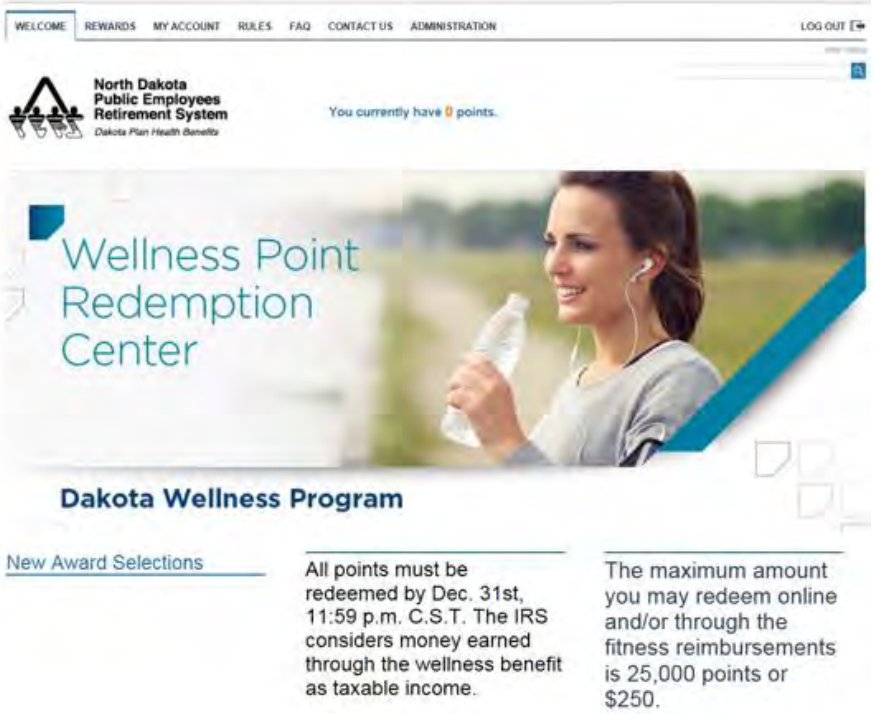
NORTH DAKOTA PUBLIC EMPLOYEES RETIREMENT SYSTEM | SANFORD HEALTH PLAN

Redeem Points

SANFORD HEALTH PLAN

Redeeming Points

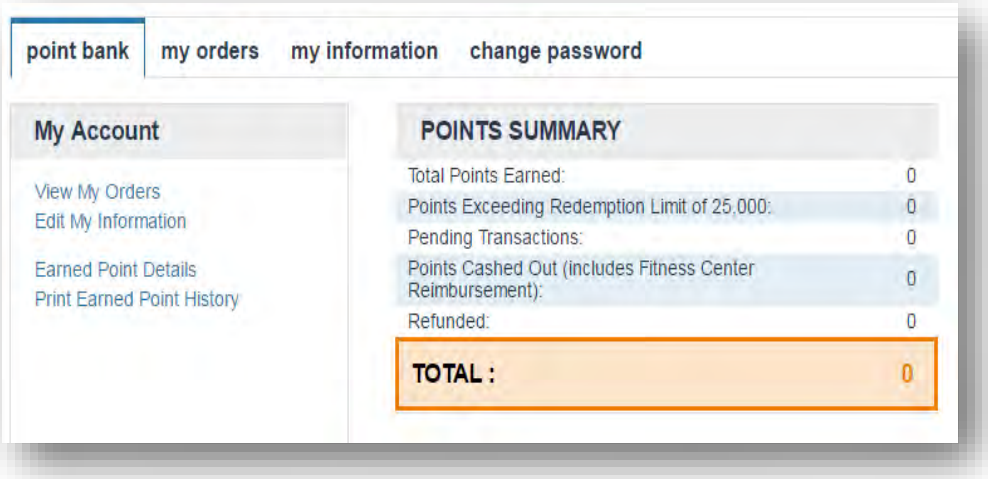
- Login to your *my*SanfordHealthPlan account
- Select "Redemption Center" from the Portal and Links option in the Insurance tab dropdown
- Redeem points towards your $250 benefit



Take Note

Three day delay

- It takes up to two business days for points earned through the wellness portal to appear in the Redemption Center
- You can view all of your earning and redeeming activity from all wellness activities in the Redemption Center



Combine Points and Reimbursements

Combine your fitness center reimbursements with worksite events and wellness portal points to earn a maximum of $250

Example

- Fitness center reimbursements: $20 x 7 months = $140
- Worksite event: 3,000 points = $30
- Wellness portal: 8,000 points = $80

$140 + $30 + $80 = $250

Get Started Today!

Earn your benefit

1. Log on or create a *my*SanfordHealthPlan account
2. Take your Health Risk Assessment in the wellness portal
3. Earn points through wellness activities
    - Verify or enroll in fitness center reimbursements, then visit your gym 12 times per month
    - Participate in on-site wellness events in the workplace and fill out the voucher form, upload online
    - Online activities: Annual Preventive Care, Monthly Sessions, Daily Tracking
4. Redeem your benefit by 11:59 p.m., Dec. 31, for up to $250

Questions?

SANFORD HEALTH PLAN

Wellness Benefit Questions

Wellness team

(800) 499-3416

NDPERSwellness@sanfordhealthplan.com

SANFORD HEALTH PLAN

Survey

As a result of the presentation, I have increased my knowledge about the Dakota Wellness Program and the three ways I can earn my wellness benefit.

- Strongly agree
- Agree
- Neutral
- Disagree
- Strongly disagree

Survey

I am more aware of the ways I can use the Dakota Wellness Program tools to create a healthy lifestyle.

- Strongly agree
- Agree
- Neutral
- Disagree
- Strongly disagree

Survey

I plan to live a healthy lifestyle and redeem my wellness benefit.

- Strongly agree
- Agree
- Neutral
- Disagree
- Strongly disagree

Exhibit 18

SANFORD HEALTH PLAN

ENL035 NDPERS Enrollment Report

Totals as of 3/30/2018 11:19:08 AM

SANFORD HEALTH PLAN

Group Descriptions	Contracts	Members
Single Active Employee & Political Sub	5257	5257
Family Active Employee & Political Sub	13740	45892
Single Political Sub, Non-Grandfathered	140	140
Family Political Sub, Non-Grandfathered	260	874
Single Active Employee & Political Sub, Non-Grandfathered HDHP	152	152
Family Active Employee & Political Sub, Non-Grandfathered HDHP	156	522
Single Active Employee Leave of Absence, Temporary, Part Time	159	159
Family Active Employee Leave of Absence, Temporary, Part Time	48	161
Single Active Employee, COBRA	291	291
Family Active Employee, COBRA	48	129
Single Active Employee, Non-Grandfathered HDHP, COBRA	0	0
Family Active Employee, Non-Grandfathered HDHP, COBRA	0	0
Single Political Sub, Non-Grandfathered COBRA	10	10
Family Political Sub, Non-Grandfathered COBRA	0	0
Single Political Sub, Non-Grandfathered HDHP, COBRA	0	0
Family Political Sub, Non-Grandfathered HDHP, COBRA	0	0
Single Non-Medicare Retiree	191	191
Family Non-Medicare Retiree	80	158
Family 3+ Non-Medicare Retiree	11	37
Medicare Retiree (A+B) (1 medicare only)	4266	4266
Medicare Retiree (A+B) (2 medicare only)	2258	4544
Medicare Retiree (A+B) (3 medicare only)	9	27
Medicare Retiree (A+B) (4 medicare only)	1	4
Medicare Retiree (A only) (1 medicare only)	1	1
Medicare Retiree (A+B) Single (non-Medicare members only)	384	384
Medicare Retiree (A+B) Family (non-Medicare members only)	33	74
Single Non-Medicare Retiree COBRA	0	0
Family Non-Medicare Retiree COBRA	0	0
Family 3+ Non-Medicare Retiree COBRA	0	0
Medicare (A+B) Others (Medicare member only)	0	0
Medicare Retiree (A+B) Single COBRA (non-Medicare members only)	3	3
Medicare Retiree (A+B) Family COBRA (non-Medicare members only)	0	0
Total	**27498**	**63276**

SANFORD HEALTH PLAN

ENL035 NDPERS Enrollment Report

Totals as of 3/30/2018 11:19:08 AM

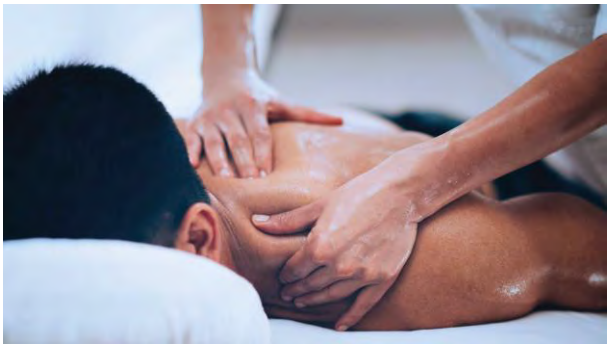
SANFORD HEALTH PLAN

Group Number	Group Description
0101,0201,0301,0401,0701,0801	Single Active Employee & Political Sub
0102,0103,0202,0203,0302,0402,0702,0802	Family Active Employee & Political Sub
2301,2401,2701,2801	Single Political Sub, Non-Grandfathered
2302,2402,2702,2802	Family Political Sub, Non-Grandfathered
1601,1701,2501,2601,2901,3001	Single Active Employee & Political Sub, Non-Grandfathered HDHP
1602,1603,1702,1703,2502,2602,2902,3002	Family Active Employee & Political Sub, Non-Grandfathered HDHP
0106,0206,1606,1706	Single Active Employee Leave of Absence, Temporary, Part Time
0107,0207,1607,1707	Family Active Employee Leave of Absence, Temporary, Part Time
0104,0204,0304,0404,0704,0804	Single Active Employee, COBRA
0105,0205,0305,0405,0705,0805	Family Active Employee, COBRA
1604,1704	Single Active Employee, Non-Grandfathered HDHP, COBRA
1605,1705	Family Active Employee, Non-Grandfathered HDHP, COBRA
2304,2404,2704,2804	Single Political Sub, Non-Grandfathered COBRA
2305,2405,2705,2805	Family Political Sub, Non-Grandfathered COBRA
2504,2604,2904,3004	Single Political Sub, Non-Grandfathered HDHP, COBRA
2505,2605,2905,3005	Family Political Sub, Non-Grandfathered HDHP, COBRA
1121,1221	Single Non-Medicare Retiree
1122,1222	Family Non-Medicare Retiree
1123,1223	Family 3+ Non-Medicare Retiree
1141,1241,1341	Medicare Retiree (A+B) (1 medicare only)
1142,1242,1342,1442	Medicare Retiree (A+B) (2 medicare only)
1150,1250,1350,1450	Medicare Retiree (A+B) (3 medicare only)
1151,1251,1351,1451	Medicare Retiree (A+B) (4 medicare only)
1144	Medicare Retiree (A only) (1 medicare only)
1198,1298,1498	Medicare Retiree (A+B) Single (non-Medicare members only)
1199,1299	Medicare Retiree (A+B) Family (non-Medicare members only)
1124,1224	Single Non-Medicare Retiree COBRA
1125,1225	Family Non-Medicare Retiree COBRA
1126,1226	Family 3+ Non-Medicare Retiree COBRA
1143,1149,1155,1158,1243,1249,1255,1258,1343,1349,1355,1449	Medicare (A+B) Others (Medicare member only)
1130,1230	Medicare Retiree (A+B) Single COBRA (non-Medicare members only)
1131,1231	Medicare Retiree (A+B) Family COBRA (non-Medicare members only)

Exhibit 19

Leading for Wellness

SANFORD HEALTH



No one said being a leader is easy.

Disengaged at Home

80% of people report they don't stop working, when they get home.

Disengaged in Our Communities

Participation in civic life is down over **50%** in the last **25** years.

Stressed. Depressed.

The number of adults on antidepressants has risen by

400 %

since 1988.

>50%

of us feel absolutely no reduction in stress when we go on vacation.

Your company suffers if you don't take care of the people working in it.

There's an antidote.

Engagement.

Engaged employees are...

87%

less likely to leave their jobs.

Engaged employees...

- Get to use their strengths
- Feel respected by supervisor & colleagues
- Feel that their work is appreciated
- Are cared for as a person and a professional
- Have opportunities to learn and grow

More engagement means...

- More profit
- Less turnover
- Higher product quality
- Increased customer satisfaction

70%

of employees report they're not engaged at work.

Disengaged employees cost the US economy around

$450 - $550

billion annually.

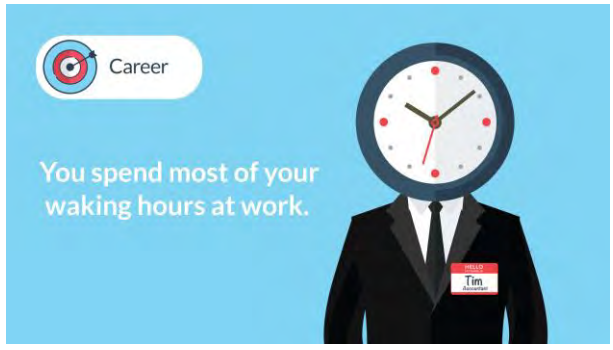
The 6 Dimensions of Wellbeing

Creating a culture designed to engage

Wellness Ownership

Career Wellbeing

How you occupy your time, liking what you do every day, having purpose and meaning in your work and your life.




Career


Career
Zappos.com


Career
NORDSTROM


Career
patagonia


Career
novo nordisk


Career
Measures of Career Wellbeing
• Exit interviews
• Turnover
• Job mobility within company
• Engagement survey results
• Employee referrals
• Wellbeing screening data

Social Wellbeing

Having strong relationships and love in your life.

Social

Measures of Social Wellbeing

- Unused PTO
- Participation at employer-sponsored events and office get-togethers
- Wellbeing screening data

Emotional Wellbeing

Feeling capable of meeting the everyday demands of life.

Emotional

Workplace stress is as detrimental as smoking and high cholesterol.

Emotional

An 11-hour workday bumps up your risk of heart disease by

67%

Emotional

Do you know what creates stress for your employees?

Have you asked?

Emotional

Emotional

Measures of Emotional Wellbeing

- Mental health-related medical and disability claims
- Antidepressant and anti-anxiety prescriptions
- Stress and burnout
- Wellbeing screening data

Financial Wellbeing

Effectively managing your economic life.

Financial

Life satisfaction increases by

only 9%

with an income jump of $25k to $55k. Wellbeing isn't affected after $75k.

Financial

Measures of Financial Wellbeing

- Percentage of employees contributing to retirement plans
- Average percentage of pay employees contribute to their retirement plans
- Number of loans or early withdrawals against the plan
- Wellbeing screening data

Community Wellbeing

The sense of engagement you have with the area in which you live.

Community

Volunteering is healthier than...

exercising

going to church

quitting smoking

Community

92%

reported that volunteering

"enriched their sense of purpose in life"

Community

Measures of Community Wellbeing

- Employee participation in charitable campaigns offered by the organization
- Employee participation in volunteer-based work activities
- Wellbeing screening data

Physical Wellbeing

Having good health, and enough physical and mental energy to get important things done each day.

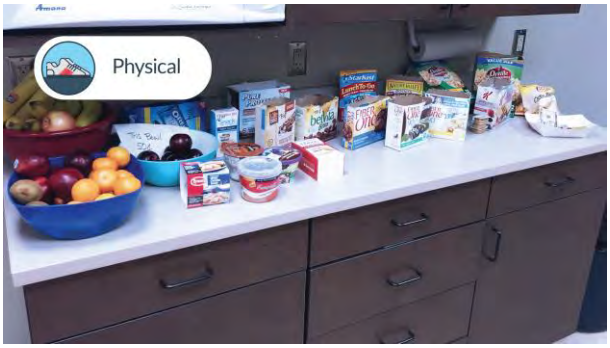
Physical

> "All we need to do is shape the culture that shapes the thinking."
>
> - Charles Jacobs

Physical

A Few Fixes in the Office

- Flexible hours
- Relaxed dress code
- Financial incentives to see the doctor, preventative care
- Convenient access to healthy food



Physical

Measures of Physical Wellbeing

- Lifestyle-related medical claims
- Worker's comp claims
- Average unplanned PTO
- Disability claims
- Wellbeing screening data

Employee engagement is the best vehicle for wellness.

You have two choices:

Seize the advantage
Or lose the advantage

SANFORD HEALTH

Katie Nermoe
katie.nermoe@sanfordhealth.org

Exhibit 20

Dakota Plan	Status	Coverage Level	Current Billed Rate*	Paid to Carrier
State Program				
Grandfathered Plan				
July 1, 2019 – June 30, 2021	Active	Flat Rate per Contract	$1,426.74	$1,423.94
	COBRA*/Part-Time/Temporary/LOA	Single	$686.70	$683.90
		Family	$1,656.02	$1,653.22
High Deductible Health Plan				
July 1, 2019 – June 30, 2021	Active	Flat Rate per Contract	$1,426.74	$1,246.46
	COBRA*/LOA	Single	$598.36	$595.56
		Family	$1,442.26	$1,439.46
Political Subdivision Enrolled Prior to July 1, 2019				
Grandfathered Plan				
July 1, 2019 – June 30, 2021	Active/COBRA*	Single	$733.68	$730.88
		Family	$1,773.60	$1,770.80
NonGrandfathered Plan				
July 1, 2019 – June 30, 2021	Active/COBRA*	Single	$744.84	$742.04
		Family	$1,800.58	$1,797.78
Political Subdivision Enrolled On or After July 1, 2019				
Grandfathered Plan				
July 1, 2019 – June 30, 2020	Active/COBRA*	Single	$714.68	$711.88
		Family	$1,727.56	$1,724.76
July 1, 2020 – June 30, 2021	Active/COBRA*	Single	$752.68	$749.88
		Family	$1,819.64	$1,816.84
NonGrandfathered Plan				
July 1, 2019 – June 30, 2020	Active/COBRA*	Single	$725.56	$722.76
		Family	$1,753.84	$1,751.04
July 1, 2020 – June 30, 2021	Active/COBRA*	Single	$764.14	$761.34
		Family	$1,847.32	$1,844.52
Non-Medicare Retirees				
Grandfathered Plan				
July 1, 2019 – June 30, 2021	Non-Medicare Retirees	Single	$1,028.64	$1,025.84
		Family	$2,054.48	$2,051.68
		Family 3+	$2,567.40	$2,564.60

*** - NDPERS COBRA rates have an additional 2% NDPERS Administration**

Dakota Retiree Plan	Status	Coverage Level	Current Billed Rate	Paid to Carrier*
Enrolled Prior to July 1, 2019				
July 1, 2019 – June 30, 2021	Medicare Eligible (Parts A&B)	Single	$295.28	$206.22
		Family	$587.74	$412.42
		One Medicare/ One Non-Medicare	$848.08	$759.02
Enrolled On or After July 1, 2019				
July 1, 2019 – June 30, 2020	Medicare Eligible (Parts A&B)	Single	$292.60	$203.54
		Family	$582.38	$407.06
		One Medicare/ One Non-Medicare	$831.04	$741.98
July 1, 2020 – June 30, 2021	Medicare Eligible (Parts A&B)	Single	$297.96	$208.90
		Family	$593.10	$417.78
		One Medicare/ One Non-Medicare	$865.14	$776.08

*** - Excludes EGWP Part-D premiums**

Exhibit 21

Care Management Program

Helping you handle your health when you need it most.

sanfordhealthplan.com

SANFORD HEALTH PLAN

Call us for help:
(888) 315-0884
(877) 652-1847 (North Dakota only)

SANFORD HEALTH PLAN

How we help

Our care managers are here to:

- Be a resource for information on medical and behavioral health conditions
- Assist with coordination of medical and behavioral health services
- Help individuals in understanding their treatment plan including prescriptions and testing
- Provide education and support on how to best manage medical and behavioral health conditions
- Provide support for healthier living
- Develop a partnership with providers

Our team includes RN and behavioral health care managers that work closely with other health care staff to get good results in your case.

Our care managers value our member's care, and give the highest level of privacy for each member we help.

By your side

Finding your way through your health care and insurance can take time and be puzzling. Add in a critical health illness or a trauma and there can be even more stress.

Knowing there is a need to help with recovery, Sanford Health Plan offers help for you and your family – at no cost. We have expert care managers who support your care with kindness.

Exhibit 22

2020 NDPERS
Grandfathered Status / Contribution Tracking
Political Subdivisions

Group Info								Contribution Info									
								Current									
								Single				Family					
								Employer		Employee		Employer		Employee		Final Status	Notes
Group Name	Email	Contact Name	City	State	Zip	Contracts (as of 10-1-2018)	Participation	%	$	%	$	%	$	%	$		
Agassiz Water Users Dist	agah20@polarcomm.com	Michael W. Bethel	Gilby	ND	58235	3	0%	100%		0%	$ -	75%		25%		GF	
Barnes County	jperson@barnescounty.us	Jennifer A. Person	Valley City	ND	58072	71	0%	85%	$ 623.64	15%	$ 110.04	85%	$ 1,507.56	15%	$ 266.04	GF	Incorrect dollar amounts provided, verified percentages.
Belcourt School District #7	jessica.parisien@k12.nd.us	Jessica Parisien	Belcourt	ND	58316	173	0%	88%	$ 645.64	12%	$ 88.04	88%	$ 1,560.77	12%	$ 212.83	GF	
Belfield Public School	belfield.school@k12.nd.us	Alice Berger	Belfield	ND	58622	14	0%	100%	$ 733.68	0%	$ -	100%		0%	$ -	GF	11.6.2019 In 2010 family contribution was Single + $600/year; Current is Single + $1,350/year
Benson County	bserickson@nd.gov	Bonnie Erickson	Minnewaukan	ND	58351	39	0%	100%	$ 733.68	0%	$ -	41%		39%		GF	11.20.2019 pay singe premium toward family. Employee pays remainder.
Billings County	mdlamb@nd.gov	Marcia Lamb	Medora	ND	58645	44	0%	100%	$ 733.68	0%	$ -	100%	$ 1,773.60	0%	$ -	GF	
Billings County School District	tammy.simnioniw@k12.nd.us	Tammy Simnioniw	Medora	ND	58645	17	0%	100%		0%	$ -	49%		51%		GF	11.5.2019 Dollar amounts listed are incorrect
Bismarck Rural Fire Department	dd.burgard@hotmail.com	Deanna Burgard	Bismarck	ND	58501	9	0%	100%		0%	$ -	100%		0%	$ -	GF	
Bottineau County	Barb.Cote@co.bottineau.nd.us	Barbara Cote	Bottineau	ND	58318	65	0%	100%	$ 733.68	0%	$ -	45%	$ 467.96	55%	$ 571.96	GF	
Bowman County	mischumacher@bowmancountynd.gov	Mindy Schumacher	Bowman	ND	58623	33	0%	91%	$ 669.84	9%	$ 63.84	91%	$ 1,619.36	9%	$ 154.24	GF	
Burke County	jtetrault@nd.gov	Jayne Tetrault	Bowbells	ND	58721	32	0%	100%	$ 733.68	0%	$ -	71%	$ 1,253.64	29%	$ 519.96	GF	
Burleigh County Housing Authority	kathies@bchabis.com	Kathie Strum	Bismarck	ND	58504	36	0%	100%		0%	$ -	67%	$ 1,182.40	33%	$ 591.20	GF	
Carnegie Regional Library	kathy@cawleycpa.com	Kathy Maus	Grafton	ND	58237	1	0%	100%	$ -	0%	$ -	100%	$ 1,794.34	0%	$ -	GF	11.8.19 currently there are 2 eligible employees. One waives coverage. One is on the family policy.
Cavalier County	mporterfield@nd.gov	Monica Porterfield	Langdon	ND	58249	46	0%	100%	$ 733.68	0%	$ -	100%	$ 1,773.60	0%	$ -	GF	
City of Ashley	cityauditor@ashley-nd.com	Jolene Weisser	Ashley	ND	58413	4	0%	100%	$ 2,201.04	0%	$ -	50%		50%		GF	
City of Belfield	auditor@cityofbelfield.com	Natalie Muruato	Belfield	ND	58622	8	0%	100%		0%	$ -	100%		0%	$ -	GF	
City of Beulah	hfbeulah@westriv.com	Heather Ferebee	Beulah	ND	58523	19	0%	90%	$ 666.92	10%	$ 74.10	96%	$ 1,717.24	4%	$ 74.10	GF	
City of Bowman	sim@ndsupernet.com	Stacy McGee	Bowman	ND	58623	23	0%	99%	$ 729.86	1%	$ 3.82	99%	$ 1,764.38	1%	$ 9.22	GF	
City of Cavalier	cavmun@polarcomm.com	Katie Werner	Cavalier	ND	58220	12	0%	85%		15%		85%		15%		GF	12.2.2019 Dollar amounts listed are incorrect. No % change from last year.
City of Center	centerca@westriv.com	Terrie R Nehring	Center	ND	58530	3	0%	100%		0%	$ -	100%		0%	$ -	GF	
City of Crosby	crosbyauditor@nccray.com	Kristina R Imhoff	Crosby	ND	58730	3	0%	100%		0%		72%		28%		GF	
City of Dickinson	shelly.nameniuk@dickinsongov.com	Shelly Nameniuk	Dickinson	ND	58601	159	0%	80%	$ 586.94	20%	$ 146.74	80%	$ 1,418.88	20%	$ 354.72	GF	
City of Elgin	cityofelgin@westriv.com	Reva Weekes	Elgin	ND	58533	2	0%	100%		0%	$ -	100%	$ 1,791.34	0%	$ -	GF	
City of Fessenden	cityoffessenden@gondtc.com	Jean Gross	Fessenden	ND	58438	2	0%	100%	$ 741.02	0%	$ -	100%	$ 1,791.34	0%	$ -	GF	
City of Grafton	finance@graftongov.com	Connie A. Johnson	Grafton	ND	58237	31	0%	100%	$ 733.68	0%	$ -	100%	$ 1,773.60	0%	$ -	GF	
City of Gwinner	gnorthdakota@hotmail.com	Jessica Peterson	Gwinner	ND	58040	3	0%	100%		0%		100%		0%		GF	
City of Harwood	auditor@cityofharwood.com	Casey Eggermont	Harwood	ND	58042	3	0%	80%	$ 592.82	20%	$ 148.20	80%	$ 1,433.07	20%	$ 358.27	GF	
City of Hebron	hebron@westriv.com	Erin Brink	Hebron	ND	58638	4	0%	94%	$ 685.22	6%	$ 48.46	94%	$ 1,663.38	6%	$ 110.22	GF	
City of Hillsboro	hillsdepaud@rrr.net	Julie Bjorklund	Hillsboro	ND	58045	8	0%	100%	$ 741.02	0%	$ -	41%	$ 741.02	59%	$ 1,050.32	GF	
City of Hope	cityofhope@invisimax.com	Charles Yanez	Hope	ND	58046	1	0%	100%		0%	$ -	0%	$ -	0%	$ -	GF	No family coverage.
City of Kenmare	office@kostadcpa.com	Becky Kostad	Kenmare	ND	58746	4	0%	100%	$ 741.02	0%	$ -	41%	$ 741.02	59%	$ 1,050.32	GF	
City of Kulm	kulmcity@drtel.net	Angie Holmgren	Kulm	ND	58456	0										NGF	Termed - No longer in NDPERS
City of LaMoure	lamoure@drtel.net	Carmen Klein	LaMoure	ND	58458	3	0%	100%	$ 741.02	0%	$ -	85%	$ 1,522.64	15%	$ 268.70	GF	
City of Larimore	debra.lch@midconetwork.com	Debra Matheson	Larimore	ND	58251	3	0%	100%	$ 741.02	0%	$ -	100%	$ 1,791.34	0%	$ -	GF	
City of Linton	lidebek@bektel.com	Sharon Jangula	Linton	ND	58552	4	0%									GF	Termed - No longer in NDPERS
City of Lisbon	gwen@cityoflisbon.net	Gwen Crawford	Lisbon	ND	58054	9	0%	100%		0%	$ -	100%		0%	$ -	GF	
City of Mandan	ross.munns@cityofmandan.com	Ross A. Munns	Mandan	ND	58554	120	0%	100%	$ 733.68	0%	$ -	100%		0%	$ -	GF	11.27.19 Family contribution amounts based on employment period scale
City of Mayville	cityinfo@cityofmayville.us	Julie Christianson	Mayville	ND	58257	7	0%	100%	$ 741.02	0%	$ -	0%	$ -	100%	$ 1,773.60	GF	
City of Medora	mauditor@midstate.net	Carla Steffen	Medora	ND	58645	5	0%	100%	$ 741.02	0%	$ -	100%	$ 1,791.40	0%	$ -	GF	
City of Minto	cityofminto@midconetwork.com	Carol M Ebertowski	Minto	ND	58237	1	0%	100%	$ -	0%	$ -	90%	$ 1,612.20	10%	$ 179.14	GF	
City of Mott	citymott@ndsupernet.com	Pamela B. Steinke	Mott	ND	58646	1	0%	100%		0%	$ -	100%		0%	$ -	GF	11.7.19 Dollar amounts listed are incorrect but 100% of single and family is covered by employer.
City of Napoleon	napoleoncity@bektel.com	Lee Kleppe	Napoleon	ND	58561	5	0%	100%		0%	$ -	100%		0%	$ -	GF	11.5.2019 Dollar amounts listed are inccorect but 100% of single and family covered by employer.
City of New Leipzig	cityofnewleipzig@westriv.com	Dorothy Mutschelknaus	New Leipzig	ND	58562	1	0%	100%		0%	$ -	100%		0%	$ -	GF	
City of Oakes	auditor@oakesnd.com	April Haring	Oakes	ND	58474	10	0%	100%	$ 733.68	0%	$ -	100%	$ 1,773.60	0%	$ -	GF	
City of Ray	raynd@nccray.net	Ronda J. Rustad	Ray	ND	58849	2	0%	100%		0%	$ -	0%	$ -	100%		GF	
City of Rolla	rollacit@utma.com	Matt Mutzenberger	Rolla	ND	58367	6	0%	90%	$ 666.92	10%	$ 74.10	90%	$ 1,612.20	10%	$ 179.14	GF	
City of Rugby	cmunyer@gondtc.com	Candy Munyer	Rugby	ND	58368	13	0%	100%	$ 733.68	0%	$ -	75%	$ 1,330.20	25%	$ 443.40	GF	
City of Thompson	brobinson@cityofthompson.org	Barbara Robinson	Thompson	ND	58278	4	0%	100%	$ 733.68	0%	$ -	88%	$ 720.35	12%	$ 98.23	GF	
City of Tioga	deputyauditoracets@nccray.com	Ronica Pederson	Tioga	ND	58852	16	0%	100%	$ 741.02	0%	$ -	100%	$ 1,791.34			GF	Update email to auditor@cityoftioga.com AND Ronica Pederson <deputyauditoraccts@nccray.com>
City of Wahpeton	jerrilync@wahpeton.com	Jerrilyn Cain	Wahpeton	ND	58075	30	0%	100%	$ 735.00	0%	$ -	84%	$ 1,490.00	16%	$ 284.00	GF	
City of Williston	Not Listed	Randy Donnelly	Williston	ND	58801	235	0%	80%	$ 660.32	20%	$ 73.36	80%	$ 1,596.24	20%	$ 177.36	GF	
City of Wishek	wcobek@bektel.com	Mary Wald	Wishek	ND	58495	6	0%	100%		0%	$ -	100%		0%	$ -	GF	
Devils Lake Basin Joint Water Resource	manager@dlbasin.com	Jeff W. Frith	Devils Lake	ND	58301	1	0%	100%	$ -	0%	$ -	100%		0%	$ -	GF	11.18.19 1 employee on payroll. On family policy. No single policy.
Devils Lake Public Schools	melissa.haahr@dlschools.org	Melissa J Haahr	Devils Lake	ND	58301-2400	268	0%	100%		0%	$ -	42%	$ -	58%		GF	11.5.2019 dollar amounts listed are incorrect, percentages are accurate on form
Dickey County	clerkill@nd.gov	Stormy Bertsch	Ellendale	ND	58301-1550	45	0%	100%	$ 638.38	0%	$ -	84%	$ 1,295.62	16%	$ 246.78	GF	
Dickinson Parks & Recreation	sturner@dickonsonparks.org	Sara Turner	Dickinson	ND	58601	22	0%	80%	$ 586.94	20%	$ 146.74	80%	$ 1,418.88	20%	$ 354.72	GF	
Dunn County	janet.lorenz@dunncountynd.org	Janet Lorenz	Manning	ND	58642	90	0%	100%		0%	$ -	100%		0%	$ -	GF	
Eddy County	pawilliams@nd.gov	Patty Williams	New Rockford	ND	58356	25	0%	100%	$ 741.02	0%	$ -	65%	$ 1,164.37	35%	$ 626.97	GF	
Emmons County	jscherr@nd.gov	Jody Scherr	Linton	ND	58552	34	0%	100%	$ 733.68	0%	$ -	100%	$ 1,773.60	0%	$ -	GF	
Enderlin Area School Dist	tammy.boeder@k12.nd.us	Tammy Boeder	Enderlin	ND	58027	37	0%	100%	$ 733.68	0%	$ -	42%	$ 774.80	58%	$ 999.52	GF	
Foster County	bradsolberg@nd.gov	Bradley Solberg	Carrington	ND	58421	24	0%	100%		0%	$ -	69%		31%		GF	
Foster County Soil Conservation Dist	dionn.schaaf@nd.nacdnet.net	Dionn Schaaf	Carrington	ND	58421	1	0%	57%	$ 422.38	43%	$ 318.64	0%	$ -	0%	$ -	GF	11.5.2019 No family coverage.
Glen Ullin Public School #48	tabi.schneider@k12.nd.us	Tabi Schneider	Glen Ullin	ND	58631-0548	17	0%	100%		0%	$ -	41%		59%		GF	11.5.2019 dollar amounts listed are incorrect, percentages are accurate on form
Grand Forks Public Library	connie.wylot@gflibrary.com	Connie Wylot	Grand Forks	ND	58201	16	0%	80%	$ 586.86	20%	$ 146.74	80%	$ 1,418.96	20%	$ 354.72	GF	
Grand Forks Senior Citizens Association	director.gfssca@midconetwork.com	Colette Iseminger	Grand Forks	ND	58201	12	0%	85%	$ 638.30	15%	$ 95.38	36%	$ 638.30	64%	$ 1,135.38	GF	11.5.2019 Pays 85% of single premium toward family coverage.
Grand Forks/East Grand Forks Metropolitan Planni	peggy.mcnelis@theforksmpo.org	Peggy McNelis	Grand Forks	ND	58203	3	0%	75%	$ 555.76	25%	$ 185.26	100%	$ 1,791.34	0%	$ -	GF	
Grant County	lmutschelknaus@nd.gov	Lynn Mutschelknaus	Carson	ND	58529	32	0%	100%	$ 733.68	0%	$ -	67%	$ 591.20	33%	$ 295.60	GF	
Greater Ramsey Water Dist	sallyh@grwdnd.com	Sally Herda	Devils Lake	ND	58301	6	0%	100%		0%		100%		0%		GF	11.4.2019 Employer covers 100% Grandfathered employees and 0% Non-Grandfathered employees on family plans - no change since 2010.
Griggs County	samantha.larson@griggscountynd.gov	Samantha M. Larson	Cooperstown	ND	58425	22	0%	100%	$ 733.68	0%	$ -	41%	$ 733.68	59%	$ 1,039.92	GF	
Hebron Public School	paulette.elder@k12.nd.us	Paulette Elder	Hebron	ND	58638	20	0%	100%	$ 733.68	0%	$ -	41%	$ 733.68	59%	$ 1,039.92	GF	
Housing Authority of the City of Grand Forks	hcommon@theghha.org	Heidi Common	Grand Forks	ND	58203	0										GF	Termed - No longer in NDPERS
James River Senior Citizens Inc	jamesriver@csicable.net	Rhonda Sahr	Jamestown	ND	58401	13	0%	95%	$ 696.62	5%	$ 37.06	75%	$ 1,325.78	25%	$ 447.82	GF	
Kidder County	jschoenhard@nd.gov	Jean Schoenhard	Steele	ND	58482	23	0%	80%	$ 586.94	20%	$ 146.74	80%	$ 1,418.88	20%	$ 354.72	GF	
Killdeer Public School #16	rose.hurt@k12.nd.us	Rose Hurt	Killdeer	ND	58640	38	0%	100%		0%	$ -	71%		29%		GF	12.9.19 Dollar amounts listed are incorrect, percentages are accurate on form
Kulm Public School	geri.kinzler@k12.nd.us	Geri Kinzler	Kulm	ND	58456	10	0%	0%	$ -	100%		0%	$ -	100%		GF	
Lake Metigoshe Recreation Service Dist	chad@strandcpa.com	Chad Strand	Bottineau	ND	58318	4	0%	100%	$ 733.68	0%	$ -	0%	$ -	0%	$ -	GF	
Lake Region Special Education	lori.wilhelmi@k12.nd.us	Lori Wilhelmi	Devils Lake	ND	58301	36	0%	100%	$ 733.68	0%	$ -	41%	$ 733.68	59%	$ 1,039.92	GF	
LaMoure County	jan.hamlin@co.lamoure.nd.us	Janice Hamlin	LaMoure	ND	58458-0128	42	0%	100%	$ 733.68	0%	$ -	70%	$ 1,241.52	30%	$ 532.08	GF	
Lisbon Public School	lori.lyons@k12.nd.us	Lori Lyons	Lisbon	ND	58054-0593	48	0%	55%		45%		45%		55%		GF	11.18.19 Dollar amounts listed are incorrect on form.
Logan County	bkfischer@nd.gov	Brenda Fischer	Napoleon	ND	58561	19	0%	80%	$ 586.94	20%	$ 146.74	80%	$ 1,418.88	20%	$ 354.72	GF	
Mandan Golden Age Club Inc	debbie.mgas@midconetwork.com	Debbie Lafferty	Mandan	ND	58554	3	0%	35%		65%		0%	$ -	0%	$ -	GF	Group does not offer family coverage. No change from 2018 rates per phone conversation with Debbie.
Mandan Parks & Recreation	hdelorme@mandanparks.com	Heidi Delorme	Mandan	ND	58554	21	0%	100%	$ 733.68	0%	$ -	80%	$ 1,418.88	20%	$ 354.72	GF	11.5.2019 Family coverage changes to 100% after 3 years of employment.
McHenry County	brkeller@nd.gov	Britney Keller	Towner	ND	58788	40	0%	100%		0%	$ -	100%		0%	$ -	GF	
McIntosh County	gkettel@nd.gov	Gina Ketterling	Ashley	ND	58413	29	0%	90%	$ 660.31	10%	$ 73.37	90%	$ 1,596.24	10%	$ 177.36	GF	
McIntosh County Housing Authority	mielhard@nd.gov	Ming Elhard	Ashley	ND	58413-0005	1	0%	100%		0%	$ -	50%		50%		GF	
McLean County	lfoss@nd.gov	Lori A. Foss	Washburn	ND	58577-1108	104	0%	100%	$ 733.68	0%	$ -	100%	$ 1,773.60	0%	$ -	GF	
Mercer County Soil Conservation District	mcscd@westriv.com	Sarah Tunge	Beulah	ND	58523	1	0%	100%	$ 733.68	0%	$ -	50%	$ 886.80	50%	$ 886.80	GF	

2020 NDPERS Grandfathered Status / Contribution Tracking

Political Subdivisions

Group Info								Contribution Info								Final Status	Notes
								Current									
								Single				Family					
Group Name	Email	Contact Name	City	State	Zip	Contracts (as of 10-1-2018)	Participation	Employer		Employee		Employer		Employee			
								%	$	%	$	%	$	%	$		
Midkota School Dist	nikki.boote@k12.nd.us	Nicole Backe	Binford	ND	58416	31	0%	100%		0%	$ -	53%		47%		GF	11.26.19 dollar amounts listed are incorrect on the form. Percentages are accurrate
Minot Commission on Aging Inc	debmcoa@srt.com	Debra Leyrer	Minot	ND	58701	17	0%	75%	$ 550.26	25%	$ 183.42	75%	$ 1,330.20	25%	$ 443.40	GF	
Minot Rural Fire Department	mrfd@srt.com	Rex Welticol	Minot	ND	58701	3	0%	100%	$ 741.02	0%	$ -	100%	$ 1,791.34	0%	$ -	GF	
Morton County	kathy.krance@mortonnd.org	Kathy Krance	Mandan	ND	58554	123	0%	90%	$ 660.31	10%	$ 73.37	80%	$ 1,418.88	20%	$ 354.72	GF	
Morton County Water Resource Dist	kbrooks@missouriwest.com	Karin Brooks	Mandan	ND	58554	6	0%	100%		0%	$ -	100%		0%	$ -	GF	
Mountrail County	nicholed@co.mountrail.nd.us	Nichole Degenstein	Stanley	ND	58784	113	0%	100%	$ 741.02	0%	$ -	100%	$ 1,791.34	0%	$ -	GF	
Mountrail Soil Conservation Dist	Not Listed	Pam Germundson	Stanley	ND	58784	0	0%	50%		50%		50%		50%		GF	No letter received. No phone call replies. Received voice message that no changes have been made and no membership at this time.
Mt Pleasant School Dist	jessica.rosinski@k12.nd.us	Jessica Rosinski	Rolla	ND	58367	37	0%	100%		0%	$ -	50%		50%		GF	
Nelson County	jwigen@nd.gov	Jenny Wigen	Lakota	ND	58344	38	0%	100%	$ 733.68	0%	$ -	100%	$ 1,773.60	0%	$ -	GF	
New Salem Almont School District	wanda.hammersmark@k12.nd.us	Wanda Hammersmark	New Salem	ND	58563	33	0%	100%		0%	$ -	42%		58%		GF	11.18.19 Dollar amounts listed are incorrect on the form. Percentages are accurate
North Dakota Firefighters Association	jgeitel@nd.gov	Allan Klein	Bismarck	ND	58504	2	0%	100%	$ 733.68	0%	$ -	0%	$ -	0%	$ -	GF	11.5.2019 No family coverage.
Northeast Regional Water District	nvh20@polarcomm.com	Connie Halldorson	Cavalier	ND	58220	8	0%	100%	$ 741.02	0%	$ -	100%	$ 1,791.34	0%	$ -	GF	
Northern Plains Special Education Unit	barbara.reese@k12.nd.us	Barb Reese	Stanley	ND	58784	2	0%	100%		0%			$848.00			GF	1.8.20 Spoke with Barb via phone. They have 2 employees out of 8 eligible that have insurance. Pay 100% of Single and $10,176 per year for Family. They do not participate in the wellness program e.g. get the discounted premium.
Oliver County	jhintz@nd.gov	Judith Hintz	Center	ND	58530-0188	16	0%	100%	$ 733.68	0%	$ -	100%	$ 1,773.60	0%	$ -	GF	
Pembina County	lschlitt@nd.gov	Linda Schlittenhard	Cavalier	ND	58220	58	0%	96%	$ 700.66	5%	$ 33.02	83%	$ 1,468.54	17%	$ 305.06	GF	2.15.19: Per Linda, the 2010 % was 87.5 vs 88% therefore they remain GF.
Pembina County Meals & Transportation	pemt@polarcomm.com	Sally Kliniske	Drayton	ND	58225	4	0%	100%		0%	$ -	0%	$ -	0%	$ -	GF	
R & T Water Supply Commerce Authority	rtwater@nccray.net	Liz Suhr	Ray	ND	58849	7	0%	100%	$ 733.68	0%	$ -	55%	$ 983.68	45%	$ 789.92	GF	Self calculated percents based on dollar amounts provided. Filled in corresponding single rate.
Ransom County	nickela.runck@co.ransom.nd.us	NickelaRunck	Lisbon	ND	58054	43	0%	100%	$ 733.68	0%	$ -	67%	$ 1,185.00	33%	$ 588.60	GF	
Richland County	mlsen@co.richland.nd.us	Mechelle Olsen	Wahpeton	ND	58075	77	0%	100%	$ 733.68	0%	$ -	56%	$ 993.39	44%	$ 780.21	GF	
Richland County Soil Conservation District	becky.myhra@nd.nacdnet.net	Becky Myhra	Wahpeton	ND	58075	1	0%	100%	$ 733.68	0%	$ -	41%	$ 733.68	59%	$ 1,039.92	GF	11.5.2019 1 supervisor is self pay on single premium. Employer pays single premium rate toward family coverage. Email
Rolette County	tlmcougall@nd.gov	Tara McDougall	Rolla	ND	58367	25	0%	70%	$ 513.58	30%	$ 220.10	70%	$ 1,241.52	30%	$ 532.08	GF	
Sargent County	pam.maloney@co.sargent.nd.us	Pam Maloney	Forman	ND	58032-4149	29	0%	100%	$ 733.68	0%	$ -	75%	$ 1,330.20	25%	$ 443.40	GF	
Sheridan County	smurray@nd.gov	Shirley A. Murray	McClusky	ND	58463	18	0%	100%	$ 733.68	0%	$ -	0%	$ -	100%	$ 1,039.92	GF	
Souris Basin Transportation	sbtransit@srt.com	Darrell Francis	Minot	ND	58702	12	0%	100%	$ 733.68	0%	$ -	85%		15%		GF	
South Central Adult Services	pat@southcentralseniors.org	Patricia Hansen	Valley City	ND	58072	9	0%	27%	$ 200.00	73%	$ 541.02	11%	$ 200.00	89%	$ 1,591.34	GF	
Southwest Water Authority	chrisprice@swwater.com	Christopher Price	Dickinson	ND	58601	47	0%	100%	$ 733.68	0%	$ -	100%	$ 1,773.60	0%	$ -	GF	
Stark County	lkrebs@starkcountynd.gov	Linda Krebs	Dickinson	ND	58602	105	0%	75%	$ 550.26	25%	$ 183.42	75%	$ 1,330.20	25%	$ 443.40	GF	
Stark County Council on Aging - Elder Care	director@eldercareregion8.org	Erin Humphrey	Dickinson	ND	58601	14	0%	100%	$ 733.68	0%	$ -	41%	$ -	39%		GF	12.2.19: Per Kelsey, they completed the form wrong. The group still pays 41% of the Family as they have in the past.
Starkweather Public School	julie.wass@k12.nd.us	Julie Wass	Starkweather	ND	58377-0045	8	0%	100%	$ 741.02	0%	$ -	0%	$ -		$ 1,050.32	GF	11.4.19 One employee pays remaining balance of family after employer pays single premium rate.
Steele County	manhorn@nd.gov	Mariah Anhorn	Finley	ND	58230	27	0%	100%	$ 733.68	0%	$ -	75%	$ 1,330.20	25%	$ 443.40	GF	
Stutsman County	shanlarson@nd.gov	Shannon Larson	Jamestown	ND	58401	119	0%	95%	$ 709.68	5%	$ 35.16	85%	$ 1,545.74	15%	$ 254.84	NGF	2018 -Group is already NGF so no change to status.
Towner County	jmmorlock@nd.gov	Joni M. Morlock	Cando	ND	58331	23	0%	100%	$ 733.68	0%	$ -	50%	$ 886.80	50%	$ 886.80	GF	
Traill Cnty	heather.hovey@co.traill.nd.us	Heather Hovey	Hillsboro	ND	58045	65	0%	100%	$ 733.68	0%	$ -	42%	$ 733.68	58%	$ 1,039.92	GF	
Traill Rural Water Dist	shelly@traillruralwater.com	Shelly Anderson	Clifford	ND	58016-0025	2	0%									GF	Group termed, no longer in NDPERS.
TRI County Water District	Not Listed	Mike Blessum	Petersburg	ND	58272	3	0%	100%		0%	$ -	100%		0%	$ -	GF	
Walsh County Housing Authority	wcha@midconetwork.com	Shelley Popiel	Grafton	ND	58237-1610	1	0%	100%	$ 733.68	0%	$ -	0%	$ -	0%	$ -	GF	11.5.19 Group does not offer family coverage.
Wild Rice Soil Conservation Dist	bonnie.anderson@nd.nacdnet.net	Bonnie Anderson	Forman	ND	58032-9702	4	0%	50%	$ 366.84	50%	$ 366.84	50%	$ 886.80	50%	$ 886.80	GF	
Willilams County Soil Conservation Dist	sue.zavalney@nd.nacdnet.net	Sue Zavalney	Williston	ND	58801	1	0%	100%	$ 733.68	0%	$ -	42%	$ 733.68	58%	$ 1,039.92	GF	No letter received. Steve spoke to Molly/. No change from last year.
Williston Parks & Recreation	leann@wprd.us	LeeAnn Straight	Williston	ND	58802	42	0%	100%	$ 741.02	0%	$ -	100%	$ 1,791.34	0%	$ -	GF	
Williston Public School #1	erica.romine@willistonschools.org	Erica Romine	Williston	ND	58802	333	0%	80%	$ 586.94	20%	$ 146.74	80%	$ 1,418.88	20%	$ 354.72	GF	
Morton County Council on Aging	Debbie.mgas@midconetwork.com	Debbie Lafferty	mandan	ND	58554			57%	$ 425.00	43%	$ 316.00	24%	$ 425.00	76%	$ 1,366.36		

Exhibit 23

Identifier	Last Name	First Name	MI	Amount	Contribution Type	Tax Year	Processed Date	Note
1111	LN	FN	M	$185.88	Employer Contribution	2018	05/23/2018	04/01/2018 Employer Contribution
1111	LN	FN	M	$185.88	Employer Contribution	2018	04/25/2018	03/01/2018 Employer Contribution
1111	LN	FN	M	$185.88	Employer Contribution	2018	03/21/2018	02/01/2018 Employer Contribution
1111	LN	FN	M	$185.88	Employer Contribution	2018	02/22/2018	01/01/2018 Employer Contribution
2222	LN2	FN2		$76.80	Employer Contribution	2018	05/23/2018	04/01/2018 Employer Contribution
2222	LN2	FN2		$76.80	Employer Contribution	2018	04/25/2018	03/01/2018 Employer Contribution
2222	LN2	FN2		$76.80	Employer Contribution	2018	03/21/2018	02/01/2018 Employer Contribution
2222	LN2	FN2		$76.80	Employer Contribution	2018	02/22/2018	01/01/2018 Employer Contribution
2222	LN2	FN2		$76.80	Employer Contribution	2017	01/23/2018	12/01/2017 Employer Contribution

Exhibit 24

NDPERS

HSA Plan Funding Collection Notification

Create Date: 5/22/2018

SUMMARY

FUNDS TO BE COLLECTED

Funding will be pulled as described below.

Contribution Type	Amount	Funding Account	Funding Date
Employer Contribution	$41,458.92	xxx0384	5/23/2018
Employee Payroll Deduction	$0.00	xxx0384	5/23/2018
Totals	**$41,458.92**		

FUNDS ON HOLD

These employees have contributions posted but did not process because either the HSA integration status is not active or the acceptance of HSA Terms and Conditions (T&C) is not complete. Once these conditions have been met, the contributions will process and a new notification will be available.

Contribution Type	Amount
Totals	**$0.00**

NDPERS

HSA Plan Funding Collection Notification

Create Date: 5/22/2018

FUNDS TO BE COLLECTED

Identifier	Last Name	First Name	MI	Contribution Date	Employer Contribution	Employee Payroll Deduction	Total Contribution
				4/1/2018	$185.88	$0.00	$185.88
				4/1/2018	$185.88	$0.00	$185.88
				4/1/2018	$76.80	$0.00	$76.80
				4/1/2018	$185.88	$0.00	$185.88
				4/1/2018	$76.80	$0.00	$76.80
				4/1/2018	$76.80	$0.00	$76.80
				4/1/2018	$185.88	$0.00	$185.88
				4/1/2018	$185.88	$0.00	$185.88
				4/1/2018	$185.88	$0.00	$185.88
				4/1/2018	$76.80	$0.00	$76.80
				4/1/2018	$76.80	$0.00	$76.80
				4/1/2018	$76.80	$0.00	$76.80
				4/1/2018	$185.88	$0.00	$185.88

NDPERS

HSA Plan Funding Collection Notification

Create Date: 5/22/2018

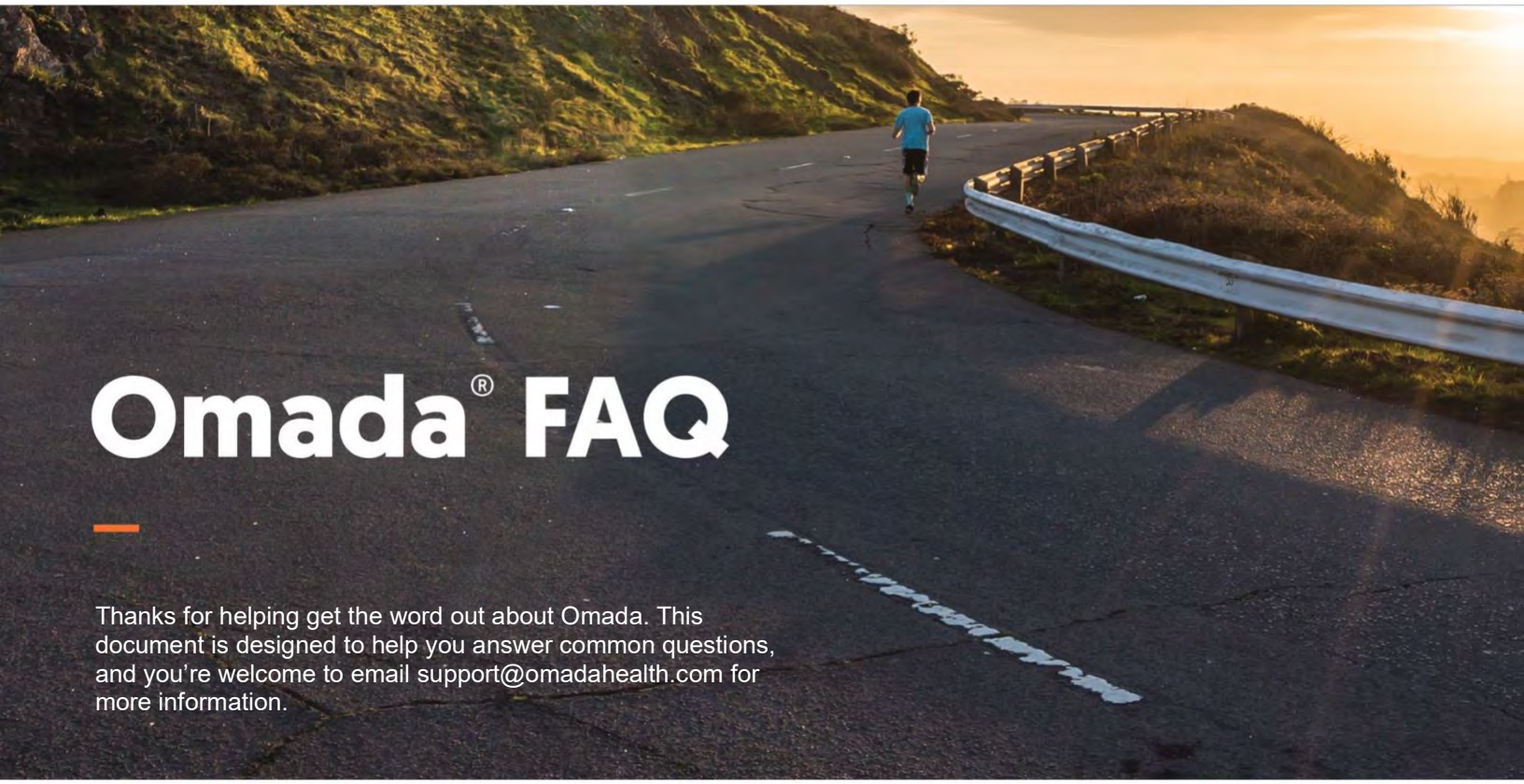
Totals:	**$41,458.92**	**$0.00**	**$41,458.92**

FUNDS ON HOLD

Totals:	**$0.00**	**$0.00**	**$0.00**

omada

Exhibit 25



Omada® FAQ

Thanks for helping get the word out about Omada. This document is designed to help you answer common questions, and you're welcome to email support@omadahealth.com for more information.

What is Omada?

Omada is a digital lifestyle change program that helps people at risk for type 2 diabetes build sustainable habits that improve their health. Learn more and watch the two-minute video at omadahealth.com/ndpers

What is the application process?

Individuals interested in Omada can visit omadahealth.com/ndpers to find out if they meet the clinical enrollment criteria to participate in the program. Those who complete the health screener and are eligible to enroll will receive an email invitation to join the Omada program.

Are family members eligible for Omada?

Yes, adult family members who are covered under the same health plan and meet the clinical enrollment criteria are eligible for Omada.

How much does it cost?

If you are eligible and at risk for type 2 diabetes, and enrolled in the Dakota Plan through NDPERS, the entire cost of the program will be covered—a $650 value.

Why is NDPERS offering this program?

60% of Americans are now at risk for chronic disease. By partnering with Omada, NDPERS can offer at-risk individuals the help they need to proactively manage their health and work towards positive outcomes

How does the Omada program work?

Omada's approach combines proven science with personalized support to help participants build healthy habits that last—whether that's around eating, activity, sleep, or stress. The program includes:

• A professional Omada health coach for one-on-one guidance. The Omada coaches keep participants on track, on their best days and their worst.

• A wireless scale to monitor progress. Participants will receive this ready-to-use device in the mail, already synced their private account.

• Weekly online lessons to educate and inspire. Participants are guided through online lessons that tackle physical, social, and psychological components of healthy living. Interactive games reinforce learning and help participants make connections to real-world scenarios.

• A small peer group for real-time support. Participants are matched with like-minded participants for added encouragement and accountability.

How long does the Omada program last?

One year or more.

How is the Omada program structured?

Omada starts with a core 16-week Foundations phase, organized into four areas:

• Changing Food Habits.

• Increasing Activity Levels.

• Preparing for Challenges.

• Reinforcing Healthy Choices.

Participants then enter the Focus phase for the remainder of the first year (and thereafter, if applicable) to continue building healthy habits.

Do participants get to keep the tools after the Omada program ends?

Yes, all the tools that are provided by Omada during the program are meant for participants to keep.

What privacy measures are in place?

As a healthcare company, Omada takes security and participant privacy very seriously, and operates in accordance with all applicable privacy and data protection laws. The company employs best-in-class physical, technical and administrative controls to protect personal information. You can learn more about Omada's use and protection of personal information by reading the Privacy Policy and Terms of Use.

What personal information will be shared with a participant's group?

Group members can see each other's photo, first name, hometown, and introduction note. Concerning progress through the program, others in the group can see when a participant last logged in, their lesson completion progress, and a progress bar that measures weight loss as a percentage without sharing actual weight. No one in the group will be able to see a participant's private information such as weight or last name.

What are the specific steps involved in getting started?

Here's what interested individuals can expect.

1.Visit omadahealth.com/ndpers
2. Click the button to take the 1-minute health screener.
3. Based on initial results, participants may be invited to complete a brief online application.
4. Individuals will receive an email from support@omadahealth.com letting them know if they're accepted. If accepted, the email will provide instructions on setting up their Omada account online.
5. Participants can set up their account on their own time. No strict deadline, but the sooner they set up, the sooner they can start.
6. Within a few weeks of completing account setup, participants receive a welcome kit in the mail with their scale.
7. Groups kick off each Sunday. This entails an introductory online message from the coach, the first lesson being "unlocked," and access to the group message board. (Please be advised that Omada may choose not to kick off new groups on the Sundays before or after major U.S. holidays when those holidays may interfere significantly with shipping or group momentum.)

What if individuals have questions?

If at any point in the process someone has questions about the status of their application or account, they can email support@omadahealth.com, call (888) 409-8686, or check out our help center articles at support.omadahealth.com.

The most common cause of confusion is that people have not seen their emails from Omada, so they may want to start by checking their inbox and spam folder for emails from the @omadahealth.com domain.

To learn more about the program, visit omadahealth.com/ndpers

NDPERS -About the Patient (AtP) Program - Data Extract Documentation

Data Spec Layout & Description

Field	Description	Example
CONTRACT_ID	First 9 digits of Member ID number	123456789
PERSON_NUM	Last 2 digits of Member ID number	01
LAST_NAME	Member's last name	Doe
FIRST_NAME	Member's first name	John
MI	Member's middle initial	R
ADDR_LINE_1	Member's mailing address line 1	340 Main St
ADDR_LINE_2	Member's mailing address line 2	Ste 100
CITY	Member's mailing address city	BISMARCK
ST	Member's mailing address state abbreviation	ND
ZIP	5 digit zip code	58501
SEX	M or F	M
DOB	DOB in format of YYYYMMDD	19551105
PHONE	Member phone if available	7015551212

NDPERS Value Based Arrangement

The North Dakota Public Employees Retirement System (NDPERS) participates in a value based care arrangement that rewards providers for cost effective high quality care. This value based arrangement is open to all providers or provider groups that are participating in the NDPERS PPO with a minimum of 400 attributed NDPERS members.

The goal of the value based arrangement is to allow providers to manage the continuum of care for its patients and ultimately achieve the Institute of Healthcare Improvement's goals of 1) improving the patient experience, 2) improving the health of populations, and 3) reducing the per capita cost of care. We believe that providing the right incentives, along with useful cost and quality information, will allow the providers to more effectively manage patient care.

The program requires providers to be accountable for the care provided to their attributed members. A provider's performance is determined by comparing the total cost of care of its attributed members to a risk-adjusted target that is based on the provider's attributed members' historical claims cost. Providers choose the risk level in which they are willing to participate; a 50/50 gain/loss sharing arrangement or a model with less upside potential but no downside risk.

Member attribution is determined by which provider the member receives the plurality of his/her primary care visits. Primary care visits are defined as visits provided by physicians, nurse practitioners, and physician assistants who specialize in family medicine, internal medicine, pediatrics, geriatrics, or obstetrics and gynecology. Primary care visits are counted at the provider group level for attribution purposes.

Quality metrics associated with population health such as, breast, cervical, and colorectal cancer screenings, optimal diabetes care, depression screening and follow-up, and measures aligned with NDPERS education and wellness programs have been developed as part of the value based arrangement to ensure quality remains strong, improved where necessary, and rewarded when warranted.

A robust reporting package is shared with providers that provides total cost of care performance information to help support and manage the care of its member population. This quarterly reporting package includes information regarding provider utilization and cost metric benchmark comparisons, institutional and professional spend of attributed members and the provider's quality performance measures compared to past experience and program goals.

Appendix B: 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	Electronic Data Collection and Reporting Requirements: Bidder must, at a minimum, meet the data collection and reporting requirements described in Section 1 under Reporting Requirements of the RFP.	
2	Bidder must be able to take current 834 electronic enrollment file (containing member eligibility) at no cost.	
3	Effective Date of Coverage: Bidder must be able to provide required coverages and services by July 1, 2021.	
4	Licensure: Bidder must have all applicable licenses required by North Dakota or agree to obtain necessary licensure prior to the effective dates of coverage.	
5	Term of Contract: NDPERS is required by state statute to solicit bids for coverage for a specified term not exceed two years. NDPERS reserves the right to extend the agreement subject to negotiation with the successful bidder pursuant to the terms in 54-52.1-05	
6	Premium and Administrative Fee Rates: Medical and prescription drug premiums (fully-insured proposals), stop loss premium rates (fully-insured proposals) and administrative fees (self-insured proposals) must be guaranteed for a period of two years, from July 1, 2021 to June 30, 2023.	
7	Renewals: Renewals must be submitted to NDPERS in June of the year preceding the contract renewal date	
8	Fully-insured premium rates are to be re-projected in February of the contract renewal year to account for additional data experience. Rates can be lowered to reflect positive experience but cannot be increased.	
9	Contract Termination: Bidder's contract termination provision may not require more than 120-day notice and can occur only at renewal. NDPERS can terminate coverage at any time.	

#	Minimum Requirements	Response (Will Meet / Will Not Meet)
10	Bidder should parallel the existing coverage and financial terms for fully-insured coverage for two years including an HSA arrangement. NDPERS recognizes that different financial arrangements will be necessary to implement a self-insured program. Variances and exceptions to existing coverage can be offered in Appendix F.	
11	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.	
12	Transition Management: Bidders agree, should they be selected, they will proactively manage the transition of coverage (e.g. claim accumulators, lifetime maximums, etc.) from the current carrier including the costs of managing the transition. Bidder must include all costs for transition in the proposal unless specified in Appendix F.	
13	Audit: NDCC 54-52-05 (10) relating to the audit authority of NDPERS.	
14	North Dakota Requirements: Bidder must meet all requirements in the North Dakota Century Code including 54-52; 54-52.1 9 (except as noted in Request for Proposal Overview; 54-52.4 and all requirements in the North Dakota Administrative Code including 71-03 and other applicable State Laws. Specific recognition of 54-52.1-12 should be acknowledged. Bidder must also comply with all applicable statutes of the North Dakota Insurance Commissioner.	
15	Ability to meet the specifications outlined in the RFP (including appendix G unless specifically noted as an exception with a bold or differentiating type face in the table).	
16	Subject matter experts and other appropriate personnel will be available to attend board meetings, legislative hearings, etc. as needed.	
17	Bidders have completed the requested information in appendix J 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 Group Medical Coverage 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

1. The company shown below is or will be in compliance with Federal and State laws and does not knowingly violate North Dakota or United States Laws. The company shown below will obtain this certification from all subcontractors who will participate in the performance of this contract; and

I certify that the company shown below is in compliance with items 1 above and that I am authorized to sign on its behalf.

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

Check 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

By signing this statement, I certify that the information provided above is accurate and that the location where services have been indicated to be performed will not change during the course of the contract without prior, written approval from the State of North Dakota.

Name of Company: _____

Authorized Signature: _____

Printed Name: _____

Title: _____

Date: _____ Telephone Number: _____

Appendix C1. Insured Medical and Pharmacy 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. Include both the question and the answer in your proposal response. An electronic copy of this questionnaire has been provided to facilitate your response.

This questionnaire must be completed if your organization is proposing fully insured medical with or without pharmacy coverage for NDPERS.

Reference should not be made to a prior response unless the question involved specifically provides such an option. Proposers should refer to the earlier sections of this RFP before responding to any of the questions, to ensure that you have a complete understanding of the requirements with respect to your organization's proposal.

Bidders may include additional information that you consider relevant or useful to NDPERS. If you elect to provide additional information on services you can provide in response to the question, please specifically indicate that it is not included in the covered services offered in your proposal. If not so indicated, those services will be considered to be a part of your proposed fees. However, responses to all of the questions set forth below must be provided.

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 controversy arising over 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 F.**

This questionnaire is divided into the following categories:

General and Medical

- Organizational Background, Strength, and Experience
- References
- Implementation and Account Management
- Communications and Website
- Plan Administration
- Eligibility
- Customer/Member Service
- Claims Administration
- Medical Information Technology
- Reporting
- Case/Utilization Management
- Health Risk Management Programs
- Network Accessibility and Disruption
- Cost, Quality, and Pay for Performance
- Credentialing and Contracting
- Reimbursement and Discounts
- Performance Standards and Guarantees
- HDHP/HSA
- Economy to be Affected
- Fiduciary Responsibility
- Appeals Process
- Actuarial Services

Pharmacy Benefit Management

- Compliance with North Dakota Statutory Requirements
- Pharmacy Benefit Management Organization General Information
- Pharmacy Benefit Clinical Management
- Specialty Pharmacy
- Formulary
- Data Analytics & Management Reporting
- Customer Service
- Retail Pharmacy Network
- Mail Service
- Eligibility
- Regulatory and Compliance
- Implementation

General and Medical

Organizational Background, Strength, and Experience

1000. Provide a brief description of your organization, including your company history, organizational structure, services provided, location of headquarters, and length of time you have been in business. Describe any significant historical or future organizational developments (acquisitions, mergers, change in subcontracted vendors, etc.

1001. Bidders responding to this RFP must be able to substantiate their 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 Bidder.

1002. Provide a copy of any State or Federal regulatory audit performed within the last two years.

1003. Confirm that your organization agrees to be accountable for everything stated in and submitted as part of your proposal, even if not specifically addressed in the Minimum Contract Provisions in Appendix B.

1004. Indicate whether your company has ever been or is currently a party to litigation regarding a medical benefit plan contract or agreement, or data security breach. If so, provide details of the litigation or action. Failure to disclose this may constitute grounds for rejection of any proposal or termination of any contract.

1005. State whether the Bidder, its officers, agents or employees, who are expected to perform services under the NDPERS contract, have been disciplined, admonished, warned, or had a license, registration, charter, certification, or any similar authorization to do business suspended or revoked for any reason.

1006. Include a description of your organization’s major short-term strategic initiatives and your long term strategic business plan. Specifically address cost containment efforts, providing specific examples of how you have made changes that resulted in savings for your clients.

1007. Describe how your organization differentiates itself from your competitors. Specifically, what makes your organization the best partner for NDPERS?

1008. Identify all services that are currently outsourced or subcontracted, the name of the vendor/partner, and length of the relationship and the nature of the long-term partnership (e.g.: are the contracts expected to expire during the course of this contract?). Describe how you ensure quality customer service and timely and effective issue resolution.

1009. What ratings have you received from the following third-party rating companies and organizations?

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

1010. Are any of the services you are proposing to provide to NDPERS contracted outside the U.S.A? Describe any business you do outside the U.S.A. and the financial impact, if any, of requiring those services to be provided within the U.S.A.

1011. Confirm that your proposal includes any and all deviations to the Sample Contract/ASA and other RFP requirements (via submission of Appendix F).

1012. Confirm that you will conform to the Patient Protection and Affordable Care Act and the Health Care and Education Reconciliation Act of 2010 as applicable to NDPERS.

1013. Has your company been involved in any mergers or acquisitions in the prior 24 months? If so, how will those events impact NDPERS?

References

1014. Provide the following information on a maximum of three (3) of your largest plan clients for whom you provide services similar to those proposed in this proposal. References of similar size and scope to NDPERS are preferred; one must be your largest public sector client and one must be your largest North Dakota-based client.

a. Name of employer sponsoring plan and location
b. Type of services provided to plan sponsor
c. Plan inception date
d. Length of time as client
e. Number of contracts and members participating in the plan
f. Contact information (name, title, phone number, email address)

1015. Provide the following information for two (2) of your largest clients that have terminated services during the preceding 3-year period. References of similar size and scope to NDPERS are preferred.

g. Name of employer sponsoring plan and location
h. Type of services provided to plan sponsor
i. Plan inception date
j. Length of time as client
k. Number of contracts and members participating in the plan
l. Reason for termination
m. Contact information (name, title, phone number, email address)

Implementation and Account Management

1016. Bidders must outline in detail the specific activities and tasks necessary to implement the NDPERS program. Be specific with regard to the following:

n. Amount of total time needed to effectively implement the program
o. Activities/tasks and corresponding timing (Detailed Timeline)
p. Responsible parties and amount of time dedicated to implementation, broken out by Bidder and NDPERS staff
q. 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
r. Length of time implementation team lead and members will be available to NDPERS

1017. Provide an overview of how the NDPERS relationship will be managed, both strategically and on a day-to-day basis. Include an organizational chart. Designate the names, titles, location, telephone numbers, and email addresses for the representatives listed below. For the account service individuals listed (b, c, d, and e below), 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.

s. The key individual representing your company during the proposal process;
t. The key individuals on your proposed implementation team;
u. The key individual assigned to overall contract management;
v. The key dedicated individual or team members responsible for day-to-day account management and service;
w. The key individual responsible for provider contracting; and
x. The key individual responsible for provider relations if different than letter e. above.
y. Medical and/or pharmacy director assigned to NDPERS (as applicable)

1018. Please provide the requested information for the functions that will be servicing NDPERS in the table below:

Area	Geographical Location(s) and Organization Name (if out-sourced)	Hours of Operation (Specify PST/CST/EST)	Is this service Outsourced? Yes or No? *If Yes, provide name of company to which the function is outsourced*
Member Service			❑ Yes *Specify Company Name:* _____ ❑ No
Claims Processing			❑ Yes *Specify Company Name:* _____ ❑ No
Enrollment and Eligibility			❑ Yes *Specify Company Name:* _____ ❑ No
Disease Management			❑ Yes *Specify Company Name:* _____ ❑ No

Area	Geographical Location(s) and Organization Name (if out-sourced)	Hours of Operation (Specify PST/CST/EST)	Is this service Outsourced? Yes or No? *If Yes, provide name of company to which the function is outsourced*
Case and Utilization Management			❑ Yes *Specify Company Name:* _____ ❑ No
Health, Education and Wellness Programs/Services (including dedicated wellness support staff)			❑ Yes *Specify Company Name:* _____ ❑ No
HSA			❑ Yes *Specify Company Name:* _____ ❑ No
Pharmacy Benefits Management			❑ Yes *Specify Company Name:* _____ ❑ No
Other (Specify functional area)			❑ Yes *Specify Company Name:* _____ ❑ No

Communications and Website

1019. Are you willing to provide communication and marketing resources to work with NDPERS in the development of NDPERS-specific member communication materials (educational, open enrollment, benefit plan related, ongoing communications)? Describe the resources, sample communications, and your proposed approach and strategy/plan.

1020. 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 July 1, 2021?

1021. Describe how you handle communications for the post-65 programs that you will offer to NDPERS retirees.

1022. To what reading grade level are your written and website communications written? Are other languages available? What customization is allowed related to member communications?

1023. Does your website provide NDPERS – Client specific plan information?

1024. Does your website offer a provider locator? What additional information does your site provide?

1025. Describe any additional web-based capabilities that could benefit NDPERS and our members.

Plan Administration

1026. Confirm that you will communicate legislative changes related to the operations of the plan in a timely manner, and describe the support staff and process. Provide examples of materials you have used in the past to educate your clients on legislative changes/updates.

1027. Confirm your ability to conduct annual employer ACA contribution testing to ensure compliance with ACA and that a working paper of testing results will be prepared and shared with NDPERS, and this testing is included in the cost proposal (see Exhibit E22)

1028. Describe your proposed transition plan. At a minimum, the transition plan must address:

a. Conditions or type of care that is typically transitioned;
b. Individuals who are in a course of treatment or have prior authorizations or preapproval with the current vendor;
c. Transition process of current medical treatment;
d. Transition of individuals in disease management programs;
e. Communication of transition issues to all plan members.
f. Member cost sharing and accumulators.
g. Member secondary payer and Coordination Of Benefits information
h. Member Wellness incentive redemptions
i. Identify any costs associated with the transition plan that are not included in the cost proposal

1029. Describe your process for Medicare Secondary Payer administration.

1030. What is your total commercial and Medicare health plan enrollment? Complete the table below.

Dates	Commercial	Medicare
As of January 2018		
As of January 2019		
As of January 2020		

1031. NDPERS is considering offering a Part G look-alike plan in the future. Please provide comment on considerations in making this decision including recommendations on closing the Part F look-alike and migrating participants or continuing to offer the Part G and allowing participants of Part F to elect participation in the Part G. Also provide commentary on allowing new enrollees to enroll in Part F or Part G plan if both remain available.

Eligibility

1032. Are ID paper/electronic cards the sole means of determining member eligibility? If not, please describe.

1033. If desired, can NDPERS update and maintain eligibility and check employee claim status online? Are there any special charges for access to and use of these tools? Please provide a sample ID and link to your site so NDPERS can review your system.

1034. NDPERS will submit enrollments, billing and/or premium remittance via a centralized electronic system. NDPERS will collect enrollment/eligibility information which will be provided to the successful Bidder on a data file that follows the HIPAA 834 file specifications. The indicative data provided on the 834 enrollment/eligibility file is to be loaded onto the successful Bidder's database and used for ID cards and all transactions/communications related to the member's participation in the plan. Premium payment information will be provided on a data file that follows the HIPAA 820 file specifications. Files will be transmitted using a secure file transmission process. The successful Bidder must be able to receive this data in that format and media. Please confirm you agree to allow this and outline any specific requirements you have related to submission of enrollment.

1035. Please describe how you handle manual eligibility updates and the turn-around/timing of such updates.

Customer/Member Service

1036. Confirm if you will provide and maintain customer service staff acceptable to NDPERS. This unit will provide dedicated local and toll-free telephone numbers and shall respond directly to member inquiries regarding benefits, claim status, selecting participating providers, and provide general assistance with navigating on-line and other resources available through the health plan and NDPERS websites. Describe the structure and organization and provide an organizational chart of the unit you are proposing.

1037. Provide information on the operational metrics given to the client related to customer services and how often these are provided.

1038. Confirm the hours/days your customer/member service team is open for operations. How are calls handled that are received after hours (e.g. can member leave a voicemail?)

1039. Does your organization have online support, where a member can chat online with a customer service representative, or email a question to your organization?

1040. Will your organization identify a dedicated customer service/call center for the NDPERS account? If customer service/call center representatives are shared with other clients, on average, how many clients does one team service? What is the average length of service of the representatives?

1041. Does your customer service inquiry system allow representatives to record comments so other customer service representatives can view previous notes to assist members?

1042. What is the location of your call center(s)? What call center(s) would be responsible for servicing NDPERS members?

1043. Describe how you manage spikes in call volume.

1044. How do you ensure that your representatives are providing timely and accurate information?

1045. Provide your customer service goals and actual performance rates for your book of business for 2019 calendar years for the following:

- Abandonment – What was the rate? How is this measured and confirmed? What was the average abandonment time?
- Busy rate – What percent of calls received a busy signal? How is this measured and confirmed?
- Time to answer – What was the average time to answer a call? What percent of calls took longer than 30 seconds to answer? What percent took longer than one minute? On average, what was the maximum wait time to speak with a representative?
- First call resolution –What percent of calls were resolved at first point of contact? How is this measured and confirmed? What percent of calls were resolved with a return call within three days after the initial call?
- Member survey – Provide a copy of member survey responses.

1046. Discuss your online services available to members, including details regarding information available through the portal.

1047. Do you have a mobile app and/or mobile ID card available to your members? Please describe the capabilities.

1048. Could you provide a call center in ND? If so, what would be the additional cost?

Claims Administration

1049. Provide the following information regarding the claims administration unit that will handle the NDPERS account. If there is more than one claims processing location, provide information for each.

	Claims Processing Unit
Address/Location	
Phone Numbers	
Days and Hours of Operation	
Number of Members Serviced	
Number of Employer Groups Serviced	
Ratio of Claims Unit Staff to Members Serviced	
Volume of Claims Processed Daily	

1050. Will your organization identify a dedicated team of claims processors for the NDPERS account? If processors are shared with other clients, on average, how many clients does one team service? What is the average length of service of the claim processors?

1051. Confirm that you are able to administer the NDPERS designs Dakota Plan (Grandfathered and Non-Grandfathered) and Dakota Retiree Plan, HDHP/HSA and benefit levels without manual intervention. If you are unable to administer the plan, you must specify any plan design deviations proposed as specified in the RFP.

1052. Describe your claims processing system/platform and claims administration process. Are you expecting to have any system upgrades over the course of this contract?

1053. How do you determine reasonable and customary ("R&C") charge allowances? What methodology is used (e.g. FAIR, Medicare)? What percentile is used? How often are R&C schedules updated?

1054. Are EOBs provided to each dependent for their services and mailed to the subscriber's address on file unless a request has been made by the dependent for an alternative mailing address?

1055. Are your EOBs customizable for the NDPERS plan?

1056. What is your frequency and method of distribution of EOBs?

1057. Provide information on the operational metrics given to the client related to claims processing and how often these are provided.

Medical Information Technology

1058. Describe your options for external system connectivity and data transfer including web-enabled services/technology.

1059. Describe your privacy protection and data security standards (e.g., HIPAA, PHI). Describe certifications and other external audits. Describe the test criteria used to ensure the standards are met. Can you supply the results? Have you completed external ethical hacking tests?

1060. Are there any major system enhancements or conversions planned or being considered within the next 36 months? How are regulatory items managed in the release process? For packaged applications, what is the process and duration to upgrade a vendor release to the released version? What is the process used to maintain operating systems? What is the potential impact on NDPERS implementation?

1061. Describe your business continuity and disaster recovery plans for internet, eligibility, claims process and information management (data warehouse) systems. As part of the response, highlight any adjustments in the plan according to the magnitude and duration of the disaster (e.g., outages of one day, vs. a week, month, etc.).

1062. 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. Do you have insurance to cover a breach?

1063. Describe your levels of security utilized in the proposed system and how each addresses HIPAA security rules/regulations.

Reporting

1064. Confirm your ability to provide the reports described in the RFP and provide samples.

1065. Describe your online reporting capabilities. Please describe the data/information and types of reports that can be accessed and downloaded from your online system.

1066. Explain your ability to comply with the NDPERS current data warehouse arrangement by providing medical and pharmacy claims and enrollment data to NDPERS in a format agreed upon between you and NDPERS no less than monthly and within 3 months of award of contract.

1067. Is your organization able to share information regarding wellness and disease management activities to be used in the data warehouse? If yes, what type of information is available?

1068. Do you participate in the ND Health Information Network (NDHIN) reporting?

Case/Utilization Management

1069. Provide a brief overview of your utilization management programs, including pre-authorization, prior approval, concurrent review, discharge planning, and large case management.

1070. Does your organization offer an advocacy program that members can utilize to help with coordinating/managing a newly diagnosed disease for themselves or another covered member?

1071. What is the source of the criteria used for the following:

a. Determining surgical necessity and whether a second opinion is required.
b. Determining approved length of stay.
c. What percentile of the data is used?
d. Approximately what percentages of review cases are referred to a physician because the initial review and attending physician cannot reach agreement on the proposed level of care?
e. Does this percentage vary between medical/surgical and psychiatric/substance abuse cases? If so, provide variances.

Health Risk Management Programs

1072. Indicate in the table below if you currently provide the care or disease management program listed, the number of members from ND-based employers currently enrolled, the cost per participant, and its accreditation status.

	Program	Number of Members Enrolled (ND)	Is Cost Included in Proposal? (Y/N)	Cost if Not Included (PMPM)	Accredited? If so, indicate accrediting organization.
☐	Arthritis				
☐	Asthma				
☐	Cancer				
☐	Congestive Heart Failure				
☐	COPD				
☐	Depression				
☐	Diabetes				
☐	Low Back Pain				
☐	Stress				
☐	High Risk Pregnancy/ Prenatal Support				
☐	Hypercholesterolemia				
☐	Pain Management				
☐	Renal Failure				
☐	Tobacco Cessation				
☐	Weight Management				
☐	Other, please indicate:				

1073. Briefly describe each of the programs currently offered, if it is included in your cost proposal, and, if not, the cost of adding each program not included. Do you currently track and report specific clinical outcome measurements for each of the conditions for which care/disease management is offered? Please list them.

1074. Are you willing to customize your care management/DM programs and services for NDPERS? If so, please explain and provide an example of a program you developed and utilized with another client. Include any ROI or outcome data that was measured on the effectiveness of the program.

1075. Describe the programs offered to patients with rare and chronic diseases. Is this program outsourced? Who is the current vendor?

1076. Describe in detail your ability to provide online wellness programs. Compare it to the existing program presently in the NDPERS program (see Exhibit 1). Specifically identify any deviations

from the existing program. Include any future enhancements that are planned, including planned date for roll-out of the new feature.

1077. Describe Wellness incentives you offer. Compare and contrast that with the existing incentives. (see Exhibits 1 & 2).

1078. Describe your ability to support NDPERS Wellness initiatives by providing the administrative services for:

a. Tobacco Cessation program (This program is coordinated with the ND Department of Health)
b. NDPERS Diabetes Program (About the Patient Program coordinated with the ND Pharmacy Assoc.)
c. Dedicated Wellness Program Consultant and Educators
d. Healthy Pregnancy program
e. New programs or mandates
f. Diabetes Prevention Program
g. $250 Wellness Incentive with required tax reporting to employers

1079. Describe your ability to support the employer-based wellness program and the wellness benefit funding program. https://ndpers.nd.gov/employers/employer-resources/employer-based-wellness/

Network Accessibility and Disruption

1080. We are requesting that Bidders provide a GeoAccess network accessibility and disruption analysis in Appendix E1. If you are proposing a combination of owned and leased networks, please provide your results separately by network. This GeoAccess analysis must be provided for your proposed NDPERS network(s). A census file has been provided in Appendix K for your use.

1081. Provide a listing or provider directory and link to the web for the provider networks you are proposing for NDPERS.

1082. Identify and describe your national preferred provider organization.

1083. Confirm your willingness to negotiate and maintain NDPERS-specific provider contracts to allow for cost control mechanisms and alignment of contract and plan years. Also discuss how you would maintain the existing PERS PPO program. Describe your process and approach for accomplishing this.

1084. Does your organization offer telehealth services beyond those required in North Dakota statute? If so, please describe the network available, how services are billed, and provide general overview of program.

1085. Does your organization offer any narrow or tiered networks? If so, please describe these network options including level of discount differences between the option and your traditional network.

1086. Do you anticipate any significant provider contract changes for 2021? Describe any expected changes.

Cost, Quality, and Pay for Performance

1087. Describe the programs and methodologies currently in place to gather and measure meaningful provider quality and efficiency data that can be shared with members.

1088. Describe any online transparency tools you have available that members can access to view quality and/or cost information on your network providers. Provide access to this site. How updated is the information on the site?

1089. Describe in detail the performance standards you currently have in place with your contracted physicians, provider groups, hospitals, and other providers. Outline the types of measures utilized, how you monitor and track these measures, how providers are held accountable, and how frequently the data is compiled and shared with the physicians and provider groups.

1090. Describe your participation in pay-for-performance initiatives. To what extent do these activities impact the health care costs of NDPERS or claims incurred by its covered population? What percentage of your contracts are pay-for-performance? How is this likely to change in the next 2-3 years?

Credentialing and Contracting

1091. Briefly describe the initial credentialing process. How often are physician, hospital and other contracts (labs, imaging facilities, DME, home health care) reviewed?

Reimbursement and Discounts

1092. Provide the reimbursement methodologies (by percentage) agreed to in your contractual arrangements to reimburse inpatient and outpatient hospital services (e.g., discount from charges, case rate, per diem, global DRG, fee schedule, etc.).

1093. Provide the reimbursement methodologies (by percentage) used to reimburse professional services (e.g., fee-for-service from billed charges, fee-for-service with discount, percent of RBRVS, capitation).

1094. How often are your R&C databases updated? What data version of UCR are you using?

1095. Do you negotiate discounts with non-network providers on a case-by-case basis? Please describe your negotiation process (including criteria used to determine when this will be done.) Do you charge for these special negotiations? If so, how is that charge assessed to NDPERS?

1096. If a network physician directs a member to a non-network lab for services, how is that lab service paid?

1097. If certain specialties (e.g. radiology or anesthesiology) or services (e.g. ambulance) are not represented in your network of providers, do you have the ability to pay these services as in-network if they were completed at an in-network facility?

1098. Provide your estimate of percent of charges that will be processed in North Dakota under your network.

1099. PERS presently has a value-based contract in place with certain providers in North Dakota. See Exhibit E27. Discuss your ability to offer the same or similar program. Identify if any additional cost would be required for such an option

Performance Standards and Guarantees

Health plan Bidders are required to comply with performance standards and guarantees that include a financial incentive/forfeiture which is negotiated as part of the renewal process. See Appendix H for a copy of these performance standards and guarantees. You are required to offer your performance standards and guarantees for the board's consideration using Appendix H. It is a priority for the Board to have a comprehensive set of standards and guarantees relating to this plan.

1100. Please confirm you have completed Appendix H and confirm your willingness to comply with the performance standards and guarantees or provide suitable alternatives. Identify your process for measurement and audit availability. Identify any additional standards and metrics your organization would be willing to include.

HDHP/HSA

1101. Describe how your organization will administer the HSA option. What details are provided to individuals that select this option, the enrollment process, claim reimbursement options, limit

monitoring, ability to accept employee pre- & post-tax contributions, record-keeping, fees, reporting capabilities, the name of the service vendor and any other applicable information.

Economy to be Affected

1102. Please indicate if you will have an office in North Dakota and where most of the work on this contract will be done?

1103. Please identify the number of employees you will employ in North Dakota pursuant to this contract.

1104. Of your total administrative fee please estimate the amount that will be spent in North Dakota and the amount that will spent outside the state.

Fiduciary Responsibility

1105. Confirm your organization will assume full fiduciary responsibility for claim determination.

Appeals Process

1106. Please describe your internal and external appeals process for fully-insured plans.

Actuarial Services

1107. As part of the fully insured contract PERS is asking that the Bidders actuary will do certain actuarial work for the Board. Confirm your ability to provide these services and that they are included in the cost proposal:

a. Develop estimates of the cost of adding/deleting benefit provisions to the plan
b. Provide PERS estimates of potential premium cost for 2023-2025 in the first half of 2022
c. Provide PERS actuary with actuarial analyses of proposed legislation and plan design changes.
d. Actuarial services NDPERS may request.

Pharmacy Benefit Management

If you are proposing fully insured medical with prescription drug coverage, the following section of this questionnaire (below) must be completed. If you are submitting a fully insured medical only bid these questions do not need to be answered.

The responses of this questionnaire should be based on the organization or operations that will administer the pharmacy benefits for eligible NDPERS employees and dependents.

Compliance with North Dakota Statutory Requirements

1108. Indicate that you can comply with all the requirements of North Dakota Century Code chapter 54-52.1

1109. Indicate if you could comply with the preference criteria in 54-52.1-04.15.

1110. Indicate if your proposal includes:

a. Compliance with 54-52.1-04.16
b. Does not include compliance 54-52.1-04.16
c. Includes both

1111. Indicate any other areas of 54-52.1 you cannot meet and why you do not feel you would be able to comply

Pharmacy Benefit Management Organization General Information

1112. Please provide the legal name of the company that will be providing the pharmacy benefit management (PBM) services in this contract.

1113. Please describe the PBM's corporate governance structure.

1114. Where is the PBM headquartered?

1115. Does the PBM contract supporting the fully-insured contract expire during the course of the NDPERS biennium (2021 – 2023)?

1116. What unique and differentiated capabilities does the PBM offer to NDPERS?

Pharmacy Benefit Clinical Management

1117. Please describe your approach to clinical management in the pharmacy benefit.

1118. Please provide a list of your clinical programs with a short description of each, and associated cost for each program. At minimum, please include prior authorization, step therapy, quantity limits, drug utilization review, opioid management, diabetes management, compound management, and specialty drug management programs. If applicable, please include return-on-investment guarantees or measurement metrics for each program

1119. Based on the plan design currently in place, the drug utilization, and the demographics, what are three specific recommendations to reduce cost and/or improve the health of NDPERS members (without changing plan design elements like copays)?

1120. Please describe the accreditations you maintain (URAC, JCAHO, NCQA)

1121. Please describe your capabilities of combining pharmacy data with medical data for individual members to coordinate care, case management, and utilization oversight. NDPERS is interested in understanding capabilities beyond sending or intaking claims files. Please describe how the data may be used, system capabilities for analyzing and summarizing data, access to the data by providers and the plan, and any challenges that limit the applicability of this type of integration.

1122. Please describe your Pharmacy & Therapeutics Committee (P&T) and the formulary review process.

1123. What is your formulary approach to generic insulin products?

1124. Please describe your approach or solutions to manage compound medications. Please note if you have a dollar threshold for prior authorization, exclusion strategy, or another approach.

1125. 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?

1126. Do you align your performance measurement with national quality measures (e.g. HEDIS)?

1127. What tools and programs do you utilize to shift percent of membership toward formulary and preferred/generic drugs?

1128. Provide a flow chart that describes your prior authorization process, including type of personnel involved in the process.

1129. Do clients have access to your system to enter administrative prior authorization overrides?

a. How does the process work?

b. Is training provided?

c. Will your client be able to report on volume of overrides and outcomes determination?

1130. 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?

1131. 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).

1132. Please describe how members are notified of denials and expiration of prior authorizations.

1133. What services / support can NDPERS expect from the clinical account manager?

1134. Describe all programs related to identification and management of potential abuse by members, providers and pharmacies.

1135. Please provide a list of real-time utilization (concurrent) review elements at retail and mail. How are interventions managed? How are outcomes of interventions documented?

1136. Does your Retrospective Drug Utilization Review (RDUR) Program target physicians and members? How do you notify physicians and members?

1137. Please provide a list of RDUR edits. What is the timeframe for intervention? Is the intervention automated? Fax? Is there a survey collected to assess the usefulness of the intervention? Are responses charted to provide auditable savings results?

1138. Do you work with any electronic medical record (EMR) companies to provide prescription drug information to prescribers?

1139. Are you capable of receiving data and integrating it from an EMR?

1140. Do you have a preferred partner for electronic prior authorization and eligibility/formulary verification?

1141. What percentage of claims in your book-of-business are e-prescribed?

1142. Please provide sample reports that document savings of clinical programs (case management, disease management, utilization review, etc.) that NDPERS will be receiving monthly, quarterly, etc.

Specialty Pharmacy

1143. How many specialty service pharmacies do you operate?

1144. Are your specialty service pharmacies owned or subcontracted?

1145. Which specialty service pharmacy would primarily service the NDPERS account?

1146. Does implementing NDPERS create capacity concerns at your specialty pharmacy?

1147. Is the proposed specialty network an open network (where members can use any specialty pharmacy) or closed network (members may only use Bidder's network)?

1148. Please describe your approach to specialty pharmacy. Please focus on the aspects that differentiate your services in the market.

1149. Are members contacted before each specialty fill? If so, is the outbound call made by a representative or an automated call?

1150. What is the average length of time spent with a member prior to the first fill of their specialty medication?

1151. Do you have pharmacists and technicians that are dedicated to serving members with certain disease states?

1152. 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.

1153. For any specialty patient assistance programs, describe if your programs are income based and/or rebate compliant?

1154. Please describe your strategy (formulary or more broadly), and how you engage your self-insured clients on coverage decisions related to high-cost therapies (e.g., CAR-T, Zolgensma)

1155. Please describe specialty site-of-care programs or initiatives or partnerships.

1156. Please describe solutions available to address rising costs of prescription drugs in the medical benefit?

1157. 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?

1158. Describe your specialty drug trend forecasting services. For example, how is the specialty drug pipeline monitored and what modeling tools are available to demonstrate the financial impact to the Client?

1159. What is the process for pricing reviews for specialty products with the client? It is expected that changes to pricing for individual drugs, such as those changes due to generic approvals, will warrant changes to the specialty pricing sections of the contract. What type of performance guarantee would you be willing to offer around updating contract pricing?

1160. Do you have a process you follow for patients that are being discharged from the hospital and need an immediate supply? If so, please describe.

1161. What percentage of Limited Distribution Drugs commercially available do you have access to?

1162. What is the process for procuring any limited distribution drugs that you currently do not have access to?

1163. Do you have infusion services? Can you arrange for nurses or other assistance on behalf of the member?

Formulary

NDPERS has an "open" formulary that has three coverage tiers. Tier 1 includes formulary generic drugs, Tier 2 includes formulary brand drugs, and Tier 3 includes all non-formulary products. Please provide a quote based on your open formulary that best aligns with NDPERS current formulary structure.

1164. Please indicate which formulary is being proposed for NDPERS, and why?

1165. If your proposed formulary is exclusionary, how many products are excluded?

1166. How frequently is your proposed formulary updated?

1167. If desired, could you grandfather existing members for a select period of time (1-3 fills, 1 year, indefinitely)?

1168. 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

1169. 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?

1170. Please discuss your position regarding "lowest net cost" as it relates to your formulary strategy and your flexibility in facilitating a “lowest net cost” strategy for clients.

1171. Please provide a copy of your proposed Formulary including National Drug Code (NDC), drug name, and formulary tier in excel format

1172. Complete Appendix E2 – Network Access & Formulary Match

Data Analytics & Management Reporting

1173. Describe data analytic and reporting capabilities currently available.

1174. Is there an extra charge for data analytic services? If so, what are the charges?

1175. Describe or provide samples of standard reports around cost and utilization for the plan and its customers.

Customer Service

Please answer the following if the customer service operations are different than the customer service operations for the medical segment of the business, including, but not limited to.

1176. What is the location of the PBM call center(s)?

1177. What call center(s) would be responsible for servicing NDPERS members?

1178. Describe your use of Interactive Voice Response (IVR).

1179. Will the PBM have a dedicated phone number for NDPERS?

1180. Is the pharmacy call center available to members 24/7/365?

1181. Is a pharmacist available to members 24/7/365?

1182. Can a member leave a message at the member service line after hours? If so, what is the protocol for responding to this message?

1183. What is your first call resolution rate in the pharmacy call center?

1184. Do you have the capability to record 100% of the calls?

1185. Does your call monitoring application also provide for monitoring of screen navigation as well as call recording?

1186. Does your customer service inquiry system allow representatives to record comments so other customer service representatives can view previous notes to assist members?

1187. Describe in detail the training and qualifications of the customer service representatives. How will they be trained and educated on NDPERS specifics and new initiatives?

1188. How will you assist with notifying members when the formulary status of medication has changed?

1189. Do you track Net Promoter Score (NPS)? If so, please provide the most recent NPS and describe if it applies to specific business segments (e.g. customer service).

1190. How do you define / track member complaints and/or grievances?

1191. How do you report the complaints and grievances?

a. What are your turnaround times? Describe your workflow process.

b. How are complaints/grievances tracked by reason code?

c. Do you maintain a complaint log? Describe your complaint resolution process.

1192. Will the appeal process for pharmacy service be different than for medical services: If so describe the appeal process. Provide materials used for member, physician, and pharmacy notification and provide your workflow process including turnaround times. How do you manage the process differently for states with unique requirements?

1193. Describe how written inquiries are handled.

1194. Please describe your member website and member portal.

a. Can your website provide NDPERS specific plan information?

b. Does your website offer a pharmacy locator? Does the site offer information on retail stores that are open 24 hours/day?

c. Can members see their prescription drug claim history on the website?

d. Describe the web-enabled pricing comparison tools available to your members. Will the pricing tool account for NDPERS plan design?

e. Does your web-enabled pricing comparison tool provide pricing detail by pharmacy?

1195. Does your mobile app and/or mobile enabled website include the following:

a. Formulary information

b. Network pharmacy lookup

c. Plan design information

d. Member ID card

e. Claims history

f. Family claims history

g. Drug price lookup by pharmacy

Retail Pharmacy Network

1196. Please describe your retail pharmacy network strategy and how it is differentiated from competitors.

1197. List the name of your proposed network and the number of retail pharmacies that participate in North Dakota and nationally.

1198. Based on the census provided, please submit a Geo-Access analysis.

1199. Please describe your credentialing process including the process for removing pharmacies from the network. How often is credentialing/re-credentialing undertaken?

1200. Describe your 90-day retail network (including % of ND pharmacies in-network) and potential cost savings to NDPERS.

Mail Service

1201. How many mail service pharmacies do you operate?

1202. Where are your mail pharmacies located? Which mail service pharmacy would primarily service the NDPERS account?

1203. Are your mail service pharmacies owned or subcontracted?

1204. Does implementing NDPERS create capacity concerns at your mail distribution center(s)?

1205. Do you have a program at the mail facility to align and bundle shipment for members with more than one prescription?

1206. How do you assure patient consent to send an order prior to shipping?

1207. Are there any items/medications you do not ship (e.g. controlled substances)?

1208. What company or companies do you have shipping contracts with for the mail service?

1209. Can members track their mail order prescription?

1210. Can you deliver mail or specialty medications to the member's location of choice (e.g. home address, office, doctor's office, hospital, pharmacy, neighbor's address)?

1211. How long will you hold a prescription that requires an intervention before returning, filling, or calling members?

1212. Do you retain member credit cards? If so, what security measure do you employ to protect this information?

1213. Is payment required before orders are shipped? If not, what is the maximum outstanding balance owed before you hold orders?

1214. Do you provide Durable Medical Equipment items through the mail pharmacy?

1215. Are you willing to agree that medications shipped in error, damaged in shipment, lost in transit, left by courier without confirmation of receipt when requested, and rendered unusable by NDPERS due to negligence or error in delivery process will not be the financial burden to NDPERS or our patients? How are these types of shipping errors reported to NDPERS?

Eligibility

1216. Please describe any differences in eligibility management for the prescription drug benefit compared to the medical benefit.

Regulatory and Compliance

1217. Please detail your due diligence process used in retaining the proposed PBM. Including but not limited to: review of any outstanding disputes, that the PBM is fully licensed, complaints from providers and covered members, fines, integrity of data systems, any data breaches, lawsuits, etc.

1218. Please provide the latest SOC2 report for the PBM providing pharmacy services under this agreement.

Implementation

1219. Pharmacy related implementation detail should be included in the medical section of your response

Appendix C2. Self-Insured Medical 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. Include both the question and the answer in your proposal response. An electronic copy of this questionnaire has been provided to facilitate your response.

This questionnaire must be completed if your organization is proposing self-insured medical plan administration for NDPERS.

Appendix C1 must be completed for fully insured medical/pharmacy bids and Appendix C3 must be completed for self-insured/fully-insured pharmacy bids.

Reference should not be made to a prior response unless the question involved specifically provides such an option. Proposers should refer to the earlier sections of this RFP before responding to any of the questions, to ensure that you have a complete understanding of the requirements with respect to your organization's proposal. Proposers 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 not indicated those services will be considered to be a part of your proposed fees. However, responses to all of the questions set forth below must be provided.

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. Vendors are reminded that **any and all deviations must be clearly identified and described in the RFP and the deviations worksheet provided in Appendix F.**

The questionnaire is broken down into the following categories:

General and Medical

- Organizational Background, Strength, and Experience
- References
- Implementation and Account Management
- Communications and Website
- Plan Administration
- Eligibility
- Customer/Member Service
- Claims Administration
- Medical Information Technology
- Reporting
- Case/Utilization Management
- Health Risk Management Programs
- Network Accessibility and Disruption
- Cost, Quality, and Pay for Performance
- Credentialing and Contracting
- Reimbursements and Discounts
- Performance Standards and Guarantees
- HDHP/HSA
- Economy to be affected
- Fiduciary Responsibility
- Appeals Process
- Regulatory / Compliance
- Confidentiality

- Lawsuits/Claims
- Related Party Issues
- Discussion of Information Used to Manage Business
- Controls / Compliance
- Risk Management and Insurance Information

Organizational Background, Strength, and Experience

2001. Provide a brief description of your organization, including your company history, organizational structure, services provided, location of headquarters, and length of time you have been in business. Describe any significant historical or future organizational developments (acquisitions, mergers, change in subcontracted vendors, etc.).

2002. Vendors responding to this RFP must be able to substantiate their 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 vendor.

2003. Provide a copy of any State or Federal regulatory audit performed within the last two years.

2004. Confirm that your organization agrees to be accountable for everything stated in and submitted as part of your proposal, even if not specifically addressed in the Minimum Contract Provisions in Appendix B

2005. Indicate whether your company has ever been or is currently a party to litigation regarding a medical benefit plan contract or agreement, or data security breach. If so, provide details of the litigation or action. Failure to disclose this may constitute grounds for rejection of any proposal or termination of any contract.

2006. State whether the vendor, its officers, agents or employees, who are expected to perform services under the NDPERS contract, have been disciplined, admonished, warned, or had a license, registration, charter, certification, or any similar authorization to do business suspended or revoked for any reason.

2007. Include a description of your organization's major short-term strategic initiatives and your long term strategic business plan. Specifically address cost containment efforts, providing specific examples of how you have made changes that resulted in savings for your clients.

2008. Describe how your organization differentiates itself from your competitors. Specifically, what makes your organization the best partner for NDPERS?

2009. Identify all services that are currently outsourced or subcontracted, the name of the vendor/partner, and length of the relationship and the nature of the long-term partnership (e.g.: are the contracts expected to expire during the course of this contract). Describe how you ensure quality customer service and timely and effective issue resolution.

2010. What ratings have you received from the following third-party rating companies and organizations?

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

2011. Are any of the services you are proposing to provide to NDPERS contracted outside the U.S.A? Describe any business you do outside the U.S.A. and the financial impact, if any, of requiring those services to be provided within the U.S.A.

2012. Confirm that your proposal includes any and all deviations to the Sample Contract/ASA and other RFP requirements (via submission of Appendix E3).

2013. Has your company been involved in any mergers or acquisitions in the prior 24 months? If so, how will those events impact NDPERS?

References

2014. Provide the following information on a maximum of three (3) of your largest plan clients for whom you provide services similar to those proposed in this proposal. References of similar size and scope to NDPERS are preferred; one must be your largest public sector client and one must be your largest North Dakota-based client.

a. Name of employer sponsoring plan and location
b. Type of services provided to plan sponsor
c. Plan inception date
d. Length of time as client
e. Number of contracts and members participating in the plan
f. Contact information (name, title, phone number, email address)

2015. Provide the following information for two (2) of your largest clients that have terminated services during the preceding 3-year period. References of similar size and scope to NDPERS are preferred.

g. Name of employer sponsoring plan and location
h. Type of services provided to plan sponsor
i. Plan inception date
j. Length of time as client
k. Number of contracts and members participating in the plan
l. Reason for termination
m. Contact information (name, title, phone number, email address)

Implementation and Account Management

2016. Vendors must outline in detail the specific activities and tasks necessary to implement the NDPERS program. Be specific with regard to the following:

n. Amount of total time needed to effectively implement the program
o. Activities/tasks and corresponding timing (Detailed Timeline)
p. Responsible parties and amount of time dedicated to implementation, broken out by vendor, current vendor and NDPERS staff
q. 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
r. Length of time implementation team lead and members will be available to NDPERS

2017. Provide an overview of how the NDPERS relationship will be managed, both strategically and on a day-to-day basis. Include an organizational chart. Designate the names, titles, location, telephone numbers, and email addresses for the representatives listed below. For the account service individuals listed (b, c, d, and e below), 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.

s. The key individual representing your company during the proposal process;
t. The key individuals on your proposed implementation team;
u. The key individual assigned to overall contract management;
v. The key dedicated individual or team members responsible for day-to-day account management and service;
w. The key individual responsible for provider contracting; and
x. The key individual responsible for provider relations if different than letter e. above.
y. Medical and/or pharmacy director assigned to NDPERS (as applicable)

2018. Please provide your most recent customer experience survey results.

2019. Please provide the requested information for the functions that will be servicing NDPERS in the table below:

Area	Geographical Location(s) and Organization Name (if out-sourced)	Hours of Operation (Specify PST/CST/EST)	Is this service Outsourced? Yes or No? *If Yes, provide name of company to which the function is outsourced*
Member Service			❑ Yes *Specify Company Name:* _____ ❑ No
Claims Processing			❑ Yes *Specify Company Name:* _____ ❑ No
Enrollment and Eligibility			❑ Yes *Specify Company Name:* _____ ❑ No
Disease Management			❑ Yes *Specify Company Name:* _____ ❑ No

Area	Geographical Location(s) and Organization Name (if out-sourced)	Hours of Operation (Specify PST/CST/EST)	Is this service Outsourced? Yes or No? *If Yes, provide name of company to which the function is outsourced*
Case and Utilization Management			❑ Yes *Specify Company Name:* _____ ❑ No
Health, Education and Wellness Programs/Services (including dedicated wellness support staff)			❑ Yes *Specify Company Name:* _____ ❑ No
HSA			❑ Yes *Specify Company Name:* _____ ❑ No
Pharmacy Benefits Management			❑ Yes *Specify Company Name:* _____ ❑ No
Other (Specify functional area)			❑ Yes *Specify Company Name:* _____ ❑ No

Communications and Website

2020. Are you willing to provide communication and marketing resources to work with NDPERS in the development of NDPERS-specific member communication materials (educational, open enrollment, benefit plan related, ongoing communications)? Describe the resources, sample communications, and your proposed approach and strategy/plan.

2021. 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 July 1, 2021?

2022. Describe how you handle communications for the post-65 programs that you will offer to NDPERS retirees.

2023. What reading grade level are your written and website communications written to? Are other languages available? What customization is allowed related to member communications?

2024. Does your website provide NDPERS – Client specific plan information?

2025. Does your website offer a provider locator? What additional information does your site provide?

2026. Describe any additional web-based capabilities that could benefit NDPERS and our members.

Plan Administration

2027. Confirm that you will communicate legislative changes related to the operations of the plan in a timely manner, and describe the support staff and process. Provide examples of materials you have used in the past to educate your clients on legislative changes/updates.

2028. Confirm your ability to conduct annual employer ACA contribution testing to ensure compliance with ACA and that a working paper of testing results will be prepared and shared with NDPERS and this testing is included in the cost proposal (see Exhibit 22).

2029. Describe your proposed transition plan. At a minimum, the transition plan must address:

a. Conditions or type of care that is typically transitioned;
b. Individuals who are in a course of treatment or have prior authorizations or preapproval with the current vendor;
c. Transition process of current medical treatment;
d. Transition of individuals in disease management programs;
e. Communication of transition issues to all plan members.
f. Member cost sharing and accumulators.
g. Member secondary payer and Coordination Of Benefits information
h. Member Wellness incentive redemptions
i. Identify any costs associated with the transition plan that are not included in the cost proposal.

2030. Describe your process for Medicare Secondary Payer administration including but not limited to: Roles and responsibility of the vendor and PERS; identifying and recovering Medicare mistaken payments where PERS has primary responsibility, receiving payment and resolving outstanding issues, etc.

2031. What is your total commercial and Medicare health plan enrollment? Complete the table below.

Dates	Commercial	Medicare
As of January, 2018		
As of January, 2019		
As of January, 2020		

2032. Please describe your standard (or proposed) financial arrangements with NDPERS under a self-funded arrangement including but not limited to: account requirements and process for claim payment, frequency of reimbursement to the administrator for claims paid, methodology for funds transfers, required reserves in claim account, etc.

Eligibility

2033. Are ID paper/electronic cards the sole means of determining member eligibility? If not, please describe.

2034. If desired, can NDPERS update and maintain eligibility and check employee claim status online? Are there any special charges for access to and use of these tools? Please provide a sample ID and link to your site so NDPERS can review your system.

2035. NDPERS will submit enrollments via a centralized electronic system. NDPERS will collect enrollment/eligibility information which will be provided to the successful vendor on a data file that follows the HIPAA 834 file specifications. The indicative data provided on the 834 enrollment/eligibility file is to be loaded onto the successful vendor's data base and used for ID cards and all transactions/communications related to the member's participation in the plan. Files will be transmitted using a secure file transmission process. The successful vendor must be able to receive this data in that format and media. Please confirm you agree to allow this and outline any specific requirements you have related to submission of enrollment.

2036. Please describe how you handle manual eligibility updates and the turn-around/timing of such updates.

Customer/Member Service

2037. Confirm if you will provide and maintain customer service staff acceptable to NDPERS. This unit will provide dedicated local and toll-free telephone numbers and shall respond directly to member inquiries regarding benefits, claim status, selecting participating providers, and provide general assistance with navigating on-line and other resources available through the health plan and NDPERS websites. Describe the structure and organization and provide an organizational chart of the unit you are proposing.

2038. Provide information on the operational metrics given to the client related to customer services and how often these are provided.

2039. Confirm the hours/days your customer/member service team is open for operations. How are calls handled that are received after hours (e.g. can member leave a voicemail?)

2040. Does your organization have online support, where a member can chat online with a customer service representative, or email a question to your organization?

2041. Will your organization identify a dedicated customer service/call center for the NDPERS account? If customer service/call center representatives are shared with other clients, on average, how many clients does one team service? What is the average length of service of the representatives?

2042. Does your customer service inquiry system allow representatives to record comments so other customer service representatives can view previous notes to assist members?

2043. What is the location of your call center(s)? What call center(s) would be responsible for servicing NDPERS members? Could you provide a call center in ND? If so what would be the additional cost?

2044. Describe how you manage spikes in call volume.

2045. How do you ensure that your representatives are providing timely and accurate information?

2046. Provide your customer service goals and actual performance rates for your book of business for calendar year 2019,2018 and 2017 for the following:

- Abandonment – What was the rate? How is this measured and confirmed? What was the average abandonment time?
- Busy rate – What percent of calls received a busy signal? How is this measured and confirmed?
- Time to answer – What was the average time to answer a call? What percent of calls took longer than 30 seconds to answer? What percent took longer than one minute? On average, what was the maximum wait time to speak with a representative?
- First call resolution – How is this measured and confirmed? What percent of calls were resolved at first point of contact? What percent of calls were resolved with a return call within three days after the initial call?
- Member survey – Provide a copy of member survey responses.

2047. Discuss your online services available to members, including details regarding information available through the portal.

2048. Do you have a mobile app and/or mobile ID card available to your members? Please describe the capabilities.

Claims Administration

2049. Provide the following information regarding the claims administration unit that will handle the NDPERS account. If there is more than one claims processing location, provide information for each.

	Claims Processing Unit
Address/Location	
Phone Numbers	
Days and Hours of Operation	
Number of Members Serviced	
Number of Employer Groups Serviced	
Ratio of Claims Unit Staff to Members Serviced	
Volume of Claims Processed Daily	

2050. Will your organization identify a dedicated team of claims processors for the NDPERS account? If processors are shared with other clients, on average, how many clients does one team service? What is the average length of service of the claim processors?

2051. Confirm that you are able to administer the NDPERS designs Dakota Plan (Grandfathered and Non-Grandfathered) and Dakota Retiree Plan, (HDHP/HSA) and benefit levels without manual intervention. If you are unable to administer the plan, you must specify any plan design deviations proposed as specified in the RFP.

2052. Describe your claims processing system/platform and claims administration process. Are you expecting to have any system upgrades over the course of this contract?

2053. How do you determine reasonable and customary ("R&C") charge allowances? What methodology is used (e.g. FAIR, Medicare)? What percentile is used? How often are R&C schedules updated?

2054. Are EOBs provided to each dependent for their services and mailed to the subscriber's address on file unless a request has been made by the dependent for an alternative mailing address?

2055. Are your EOBs customizable for the NDPERS plan?

2056. What is your frequency and method of distribution of EOBs?

2057. Provide information on the operational metrics given to the client related to claims processing and how often these are provided.

Medical Information Technology

2058. Describe your options for external system connectivity and data transfer including web enabled services/technology.

2059. Describe your privacy protection and data security standards (e.g., HIPAA, PHI). Describe certifications and other external audits. Describe the test criteria used to ensure the standards are met. Can you supply the results? Have you completed external ethical hacking tests?

2060. Are there any major system enhancements or conversions planned or being considered within the next 36 months? How are regulatory items managed in the release process? For packaged applications, what is the process and duration to upgrade a vendor release to the released version? What is the process used to maintain operating systems? What is the potential impact on NDPERS implementation?

2061. Describe your business continuity and disaster recovery plans for internet, eligibility, claims process and information management (data warehouse) systems. As part of the response, highlight any adjustments in the plan according to the magnitude and duration of the disaster (e.g., outages of one day, vs. a week, month, etc.).

2062. 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. Do you have insurance to cover a breach?

2063. Describe your levels of security utilized in the proposed system and how each addresses HIPAA security rules/regulations.

Reporting

2064. Confirm your ability to provide the reports described in the RFP and provide samples.

2065. Describe your online reporting capabilities. Please describe the data/information and types of reports that can be accessed and downloaded from your online system.

2066. Explain your ability to comply with the NDPERS current data warehouse arrangement by providing medical claims and enrollment data to NDPERS in a format agreed upon between you and NDPERS no less than monthly and within 3 months of award of contract.

2067. Is your organization able to share information regarding wellness and disease management activities to be used in the data warehouse? If yes, what type of information is available?

2068. Do you participate in the ND Health Information Network (NDHIN) reporting?

Case/Utilization Management

2069. Provide a brief overview of your utilization management programs, including pre-authorization, prior approval, concurrent review, discharge planning, and large case management.

2070. Does your organization offer an advocacy program that members can utilize to help with coordinating/managing a newly diagnosed disease for themselves or another covered member?

2071. What is the source of the criteria used for the following:

a. Determining surgical necessity and whether a second opinion is required.
b. Determining approved length of stay.
c. What percentile of the data is used?
d. Approximately what percentages of review cases are referred to a physician because the initial review and attending physician cannot reach agreement on the proposed level of care?
e. Does this percentage vary between medical/surgical and psychiatric/substance abuse cases? If so, provide variances.

Health Risk Management Programs

2072. Indicate in the table below if you currently provide the care or disease management program listed, the number of members from ND-based employers currently enrolled, the cost per participant, and its accreditation status.

	Program	Number of Members Enrolled (ND)	Is Cost Included in Proposal? (Y/N)	Cost if Not Included (PMPM)	Accredited? If so, indicate accrediting organization.
☐	Arthritis				
☐	Asthma				
☐	Cancer				
☐	Congestive Heart Failure				
☐	COPD				
☐	Depression				
☐	Diabetes				
☐	Low Back Pain				
☐	Stress				
☐	High Risk Pregnancy/ Prenatal Support				
☐	Hypercholesterolemia				
☐	Pain Management				
☐	Renal Failure				
☐	Tobacco Cessation				
☐	Weight Management				
☐	Other, please indicate:				

2073. Briefly discuss each of the programs currently offered, identify if it is included in your cost proposal and if not the cost to add each program. Do you currently track and report specific clinical outcome measurements for each of the conditions for which care/disease management is offered? Please list them.

2074. Are you willing to customize your care management/DM programs and services for NDPERS? If so, please explain and provide an example of a program you developed and utilized with another client. Include any ROI or outcome data that was measured on the effectiveness of the program.

2075. Describe the programs offered to patients with rare and chronic diseases. Is this program outsourced? Who is the current vendor?

2076. Describe in detail your ability to provide online wellness programs. Compare it to the existing program presently in the NDPERS program (see Exhibit 1). Specifically identify any deviations

from the existing program. Include any future enhancements that are planned, including planned date for roll-out of the new feature.

2077. Describe Wellness incentives you offer. Compare and contrast that with the existing incentives. (see Exhibits 1 & 2).

2078. Describe your ability to support NDPERS Wellness initiatives by providing the administrative services for:

a. Tobacco Cessation program (This program is coordinated with the ND Department of Health)

b. NDPERS Diabetes Program (About the Patient Program coordinated with the ND Pharmacy Assoc.)

c. Dedicated Wellness Program Consultant and Educators

d. Healthy Pregnancy program

e. New programs or mandates

f. Diabetes Prevention Program

g. $250 Wellness Incentive with required tax reporting to employers

2079. Describe your ability to support the employer-based wellness program and the wellness benefit funding program. https://ndpers.nd.gov/employers/employer-resources/employer-based-wellness/

Network Accessibility and Disruption

2080. We are requesting that vendors provide a GeoAccess network accessibility and disruption analysis in Appendix E1. If you are proposing a combination of owned and leased networks, please provide your results separately by network. This GeoAccess analysis must be provided for your proposed NDPERS network(s). A census file has been provided in Appendix K for your use.

2081. Provide a listing or provider directory and link to the web for the provider networks you are proposing for NDPERS.

2082. Identify and describe your national preferred provider organization.

2083. Confirm your willingness to negotiate and maintain NDPERS-specific provider contracts to allow for cost control mechanisms and alignment of contract and plan years. Also discuss how you maintain the existing PERS PPO program. Describe your process and approach for accomplishing this.

2084. Does your organization offer telehealth visits? If so, please describe the network available, how services are billed, and provide general overview of program.

2085. Does your organization offer any narrow or tiered networks? If so, please describe these network options including level of discount differences between the option and your traditional network.

2086. Do you anticipate any significant provider contract changes for 2021? Describe any expected changes.

Cost, Quality, and Pay for Performance

2087. Describe the programs and methodologies currently in place to gather and measure meaningful provider quality and efficiency data that can be shared with members.

2088. Describe any online transparency tools you have available that members can access to view quality and/or cost information on your network providers. Provide access to this site. How updated is the information on the site?

2089. Describe in detail the performance standards you currently have in place with your contracted physicians, provider groups, hospitals, and other providers. Outline the types of measures utilized, how you monitor and track these measures, how providers are held accountable, and how frequently the data is compiled and shared with the physicians and provider groups.

2090. Describe your participation in pay-for-performance initiatives. To what extent do these activities impact the health care costs of NDPERS or claims incurred by its covered population? What percentage of your contracts are pay-for-performance? How is this likely to change in the next 2-3 years?

Credentialing and Contracting

2091. Briefly describe the initial credentialing process. How often are physician, hospital and other contracts (labs, imaging facilities, DME, home health care) reviewed?

Reimbursement and Discounts

2092. Please complete and submit Appendix D2.

2093. Provide the reimbursement methodologies (by percentage) agreed to in your contractual arrangements to reimburse inpatient and outpatient hospital services (e.g., discount from charges, case rate, per diem, global DRG, fee schedule, etc.).

2094. Provide the reimbursement methodologies (by percentage) used to reimburse professional services (e.g., fee-for-service from billed charges, fee-for-service with discount, percent of RBRVS, capitation).

2095. How often are your R&C databases updated? What data version of UCR are you using?

2096. Do you negotiate discounts with non-network providers on a case-by-case basis? Please describe your negotiation process (including criteria used to determine when this will be done.) Do you charge for these special negotiations? If so, how is that charge assessed to NDPERS?

2097. If a network physician directs a member to a non-network lab for services, how is that lab service paid?

2098. If certain specialties (e.g. radiology or anesthesiology) or services (e.g. ambulance) are not represented in your network of providers, do you have the ability to pay these services as in-network if they were completed at an in-network facility?

2099. Provide your estimate of percent of charges that will be processed in North Dakota under your network.

2100. PERS presently has a value-based contract in place with certain ND providers. See Exhibit E26. Discuss your ability to offer the same or similar program. Identify if any additional cost would be required for such an option

Performance Standards and Guarantees

As described in Section I. Overview, of this RFP, health plan vendors are required to comply with performance standards and guarantees that include a financial incentive/forfeiture which is negotiated as part of the renewal process. See Appendix H for a copy of these performance standards and guarantees. You are required to offer your performance standards and guarantees for the board's consideration using Appendix H. It is a priority for the board to have a comprehensive set of standards and guarantees relating the to this plan.

2101. Please confirm you have completed Appendix H and confirm your willingness to comply with the performance standards and guarantees or provide suitable alternatives. Identify your process for measurement and audit availability. Identify any additional standards and metrics your organization would be willing to include.

HDHP/HSA

2102. Describe how your organization will administer the HSA option. What details are provided to individuals that select this option, the enrollment process, claim reimbursement options, limit monitoring, ability to accept employee pre- & post-tax contributions, record-keeping, fees, the name of the service vendor and any other applicable information.

Commented [HDL1]: Reconciliation reporting capabilities

Commented [RBT2R1]: Add language from fully insured.

Commented [RD3R1]: Which language?

Economy to be affected

2103. Please indicate if you will have an office in North Dakota and where most of the work on this contract will be done?

2104. Please identify the number of employees you will employ in North Dakota pursuant to this contract.

2105. Of your total administrative fee please estimate the amount that will be spent in North Dakota and the amount that will spent outside the state.

Fiduciary Responsibility

2106. Confirm your organization will assume full fiduciary responsibility for claim determination.

Appeals Process

2107. Please describe your internal and external appeals process for self-insured plans.

a. What is the timeline to respond to appeals?

b. Is there a clinical protocol to distinguish medical necessity from administrative benefit denials?

c. Describe the medical standards of care utilized when reviewing an appeal.

d. How and when do you communicate to patients and providers?

e. Provide an overview of the staff involved in reviewing appeals, as well as their qualifications and experience. Do different staff review initial and secondary appeals?

f. Describe the process/approach utilized for cases where agreement cannot be reached between the patient and the health plan.

Regulatory Requirements

2108. Confirm that you will conform to the Patient Protection and Affordable Care Act and the Health Care and Education Reconciliation Act of 2010 as applicable to NDPERS.

2109. Do you have any disputes currently outstanding (or threatened) with any state or federal regulators related to any portion of your business? If so, what is the nature of these disputes?

2110. What is the relationship between you and state regulatory agencies including, but not limited to, state departments of insurance and health? What measures, if any, are being taken to maintain/ improve your regulatory relations?

2111. Provide a summary of any state department of insurance, state attorney general, U.S. Department of Labor and other state or Federal regulatory agency complaints filed against you, as well as information on complaints, grievances and appeals resulting from operations. Indicate what provider, member, plan sponsor or regulatory issue is involved, as well as, upheld/ overturned status and general nature of complaint or investigation. If the matter resulted in a corrective action plan ("CAP"), please provide a copy of the CAP.

2112. Have you been investigated or audited, directly or indirectly through an investigation or audit of a client/customer, by any state or Federal agency or other regulatory body (e.g., DOI, DOH, CMS, DOL, DEA, etc.) in the past three years? What were the findings and what steps are (were) being taken to address any deficiencies? Are you currently subject to or threatened with any state or

Federal investigation or regulatory audit? Please provide copies of regulatory audit reports and your responses, if applicable.

2113. Have you been subjected to any fines or penalties, or been excluded/barred from any activities or programs as a result of regulatory or judicial action, within the past three years? If so, what was the nature of the underlying issue(s), and what was the penalty? What steps are being (were) taken to prevent recurrences? Any pending or threatened proceedings that could result in such penalties?

2114. Is the process you use for late claim interest/penalties automated or manual? Please explain.

2115. Please provide a copy of your Compliance Plan including fraud, waste and abuse program (to the extent not provided in response to previous sections of the RFP). Have you had adverse findings in a Market Conduct exam within the last three years? If so, please provide details.

2116. Describe your internal accounting controls and how the internal controls are monitored.

2117. Describe the structure of your Internal Audit function.

2118. Indicate whether internal/external audits have revealed any significant internal control deficiencies or weaknesses or other issues in the past three years.

2119. Please provide a copy of your most recent SOC2 report

2120. Please provide the following:

a. Organizational and reporting charts for compliance operations (to the extent not provided in response to prior section of this RFP);

b. Training materials for employees and sub-contractors (to the extent not provided in response to prior section of this RFP);

c. Compliance monitoring and oversight policies and procedures;

d. Description of internal investigations and any self-disclosures.

Confidentiality

2121. Please provide a status report on your HIPAA and other privacy law compliance efforts. How are HIPAA and privacy compliance incorporated into your overall compliance activities?

2122. How frequently do you conduct audits for HIPAA compliance? Are you willing to share the results of those audits with us? Would you be willing to audit at a frequency required by NDPERS?

2123. Indicate your practice with respect to sharing members' medical and prescription information with providers, plan sponsors, pharmaceutical manufacturers or other commercial entities such as data aggregators.

2124. Identify your designated Privacy & Security Officers and describe their qualifications.\

2125. Please indicate if you can comply with NDCC 54-52.1-11 & 54-52.1-12.

Lawsuits/Claims

2126. What is the nature and extent (number of cases, potential financial or other exposure) of current litigation outstanding, or to the knowledge of management threatened, against you?

2127. Does any of this litigation involve: (i) multiple plaintiffs or a class of plaintiffs; (ii) any allegation of (A) criminal wrongdoing (including any RICO claim), (B) violation of securities, antitrust or environmental statuses; (C) direct or vicarious malpractice on your part or you employees; or (D) any action or matter excluded from coverage under your insurance policies; or (iii) claims for (A) punitive or exemplary damages, or (B) compensatory damages in excess of $500,000? If so, what are the details of the suit?

2128. Are any claims pending, or to your knowledge threatened, against you or your officers or directors before any regulatory body or agency in connection? What is the nature and status of the claim(s)?

2129. Are you a party to any pending arbitration or mediation proceeding? If so, what is the nature and status?

Related Party Issues

2130. Describe any equity, financial or other interests you hold in vendors, suppliers, consultants and other business with which you have a commercial relationship related to your operations.

Discussion of Information Used to Manage Business

2131. Describe the capabilities of your financial reporting systems.

2132. Describe what information is available and how timely the information becomes available with regard to revenues, medical costs, and overhead.

2133. Describe how your profitability is tracked by product segment, by market and by customer.

2134. Describe how often financial closing are performed and how long it takes to get final results.

Controls / Compliance

2135. Describe your internal accounting controls and how the internal controls are monitored.

2136. Describe the structure of your Internal Audit function.

2137. Indicate whether internal/external audits have revealed any significant internal control deficiencies or weaknesses or other issues in the past three years.

2138. Indicate what your compliance policies are and indicate whether there have been significant failures over the past three years, including regulatory violations, affecting the health operations.

Risk Management and Insurance Information

2139. Loss Runs from your liability insurance carriers- prior full three years.

2140. All significant liability insurance paid claims (> $25,000).

2141. Confirm proposal meets all regulatory requirements.

2142. Confirm proposal meets NDCC 26.1-36.6-03: 26.1-36.6-03. Self-insurance health plans - Requirements.

a. 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, 26.1-36-05, 26.1-36-10, 26.1-36-12, 26.1-36-12.4, 26.1-36-12.6, 26.1-36-13, 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 26.1-36-46.

Appendix C3. Self/Fully-Insured ("Carve-Out") Pharmacy Questionnaire

This questionnaire must be completed if you are quoting self-insured pharmacy administration services.

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. Include both the question and the answer in your proposal response. An electronic copy of this questionnaire has been provided to facilitate your response.

Reference should not be made to a prior response unless the question involved specifically provides such an option. Proposers should review all sections of this RFP before responding to any of the questions here, to ensure that you have a complete understanding of the requirements with respect to your organization's proposal.

Bidders may include additional information that you consider relevant or useful to NDPERS. However, responses to all of the questions set forth below must be provided.

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 F.**

The questionnaire is broken down into the following categories:

Questionnaire:

- Compliance with North Dakota Statutory Requirements
- Bidder Overview
- Clinical Programs and Drug Utilization Review
- Specialty Pharmacy
- Formulary
- Account Management
- Data Analytics and Management Reporting
- Customer Service
- Retail Pharmacy Network
- Mail Service
- Implementation
- Eligibility
- Claims Processing/Adjudication
- Information Technology
- Financial
- Regulatory / Compliance
- Confidentiality
- Lawsuits/Claims
- Related Party Issues
- Discussion of Information Used to Manage Business
- Controls / Compliance
- Risk Management and Insurance Information

PHARMACY BACKGROUND

North Dakota Public Employees Retirement – Strategic Objectives

NDPERS is seeking a Bidder partner that:

- Controls prescription drug cost for members and NDPERS
- Delivers services at competitive prices commensurate with the total covered lives
- Provides exceptional service, from both a member and management experience
- Champions transparency (and other innovations) in contracting, operations and can fully meet the recently passed provisions in NDCC 54-52.1-04.16
- Brings innovation to the services provided to members and management
- Seamlessly integrates with NDPERS medical plans, and other partners

Partnership Considerations

NDPERS is interested in exploring the value creation from combining the respective strengths of NDPERS and a world-class pharmacy benefits partner. NDPERS goal is to explore a partner's role in managing the following functions:

- Overall financial and operational transparency
- Specialty drug management and contracting
- Formulary management
- Clinical programs administration
- Customer service (to both members and providers)
- Pharmacy claims processing
- Reporting and data analytics
- Pharmacy network management
- Rebate processing and contracting

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 is not explicitly identified in the RFP, please provide additional information.

If any of the requirements listed in the following section indicate performance services not included in your standard fees, please specifically indicate in your response to the question and in the pricing section what additional charges would apply. If not indicated those services will be considered to be a part of your proposed fees.

Compliance with North Dakota Statutory Requirements

3001. Indicate that you can comply with all the requirements of North Dakota Century Code chapter 54-52.1

3002. Indicate if you could comply with the preference criteria in 54-52.1-04.15.

3003. Indicate if your proposal includes:

a. Compliance with 54-52.1-04.16
b. Does not include compliance 54-52.1-04.16
c. Includes both

3004. Indicate any other areas of 54-52.1 you cannot meet and why you do not feel you would be able to comply

3005. Indicate that you can meet the requirement of 26.1-36

Bidder Overview

3006. Please provide the legal name of the company that will be providing the pharmacy benefit management services in this contract.

3007. Please describe your corporate governance structure.

3008. Where is your business headquartered?

3009. How many years have you operated as a pharmacy benefits manager?

3010. How many commercial plan sponsors do you serve?

3011. How many government (Federal, State, Local) plan sponsors do you serve?

3012. How many PBM member lives are in your book-of-business?

3013. How many PBM member lives do you serve in North Dakota?

3014. How many total lives are in your book-of-business (e.g. “all lives”, includes other health plans, rebate aggregation, etc.)?

3015. Do you outsource any of your operations or business functions? If so, which functions and through what organization(s)? Please provide a list of all locations/countries where your outsourced functions take place.

3016. Bidders responding to this RFP must be able to substantiate their 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 Bidder.

3017. What teaming arrangements, joint marketing arrangements and/or partnerships do you currently have in place with other organizations (heath plans, PBMs, Pharmacies, Others)? Please describe.

3018. What unique and differentiated capabilities can you offer to NDPERS?

3019. Do you have strategic advantages in North Dakota that make you a better choice for NDPERS than other Bidders?

3020. Provide the following information on a maximum of three (3) of your largest plan clients for whom you provide services similar to those proposed in this proposal. References of similar size and scope to NDPERS are preferred; one must be your largest public sector client and one must be your largest North Dakota-based client. Also provide the following for two former governmental clients similar to PERS or larger, if possible.

a. Name of employer sponsoring plan and location

b. Type of services provided to plan sponsor

c. Plan inception date

d. Length of time as client

e. Number of contracts and members participating in the plan

f. Contact information (name, title, phone number, email address)

Clinical Programs and Drug Utilization Review

3021. Please describe your approach to clinical management in the pharmacy benefit.

3022. Please provide a list of your clinical programs with a short description of each, and associated cost for each program. At minimum, please include prior authorization, step therapy, quantity limits, drug utilization review, opioid management, diabetes management, compound management, and specialty drug management programs. If applicable, please include return-on-investment guarantees or measurement metrics for each program.

3023. Based on the plan design currently in place, the drug utilization, and the demographics, what are three specific recommendations to reduce cost and/or improve the health of NDPERS members (without changing plan design elements like copays)?

3024. Please describe the accreditations you maintain (URAC, JCAHO, NCQA)

3025. Please describe your capabilities of combining pharmacy data with medical data for individual members to coordinate care, case management, and utilization oversight. NDPERS is interested in understanding capabilities beyond sending or intaking claims files. Please describe how the data may be used, system capabilities for analyzing and summarizing data, access to the data by providers and the plan, and any challenges that limit the applicability of this type of integration.

3026. Please describe your Pharmacy & Therapeutics Committee (P&T) and the formulary review process.

3027. What is your formulary approach to generic insulin products?

3028. Please describe your approach or solutions to manage compound medications. Please note if you have a dollar threshold for prior authorization, exclusion strategy, or another approach.

3029. 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?

3030. Do you align your performance measurement with national quality measures (e.g. HEDIS)?

3031. What tools and programs do you utilize to shift percent of membership toward formulary and preferred/generic drugs?

3032. How do you measure the return on investment on clinical edits on an ongoing basis? What kind of reports and services do you provide to evaluate existing clinical edits and model return on investment for future clinical edits?

3033. Provide a flow chart that describes your prior authorization process, including type of personnel involved in the process.

3034. Do clients have access to your system to enter administrative prior authorization overrides?

a. How does the process work?
b. Is training provided?
c. Will your client be able to report on volume of overrides and outcomes determination?

3035. Describe how you calculate return on investment of prior authorizations performed. What reports do you provide to your clients to assess ROI, denial rate, appropriateness of denials?

3036. 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?

3037. 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).

3038. Please describe how members are notified of denials and expiration of prior authorizations.

3039. What services / support can NDPERS expect from the clinical account manager?

3040. Describe all programs related to identification and management of potential abuse by members, providers and pharmacies.

3041. Please provide a list of real-time utilization (concurrent) review elements at retail and mail. How are interventions managed? How are outcomes of interventions documented?

3042. Does your Retrospective Drug Utilization Review (RDUR) Program target physicians and members? How do you notify physicians and members?

3043. Please provide a list of RDUR edits. What is the timeframe for intervention? Is the intervention automated? Fax? Is there a survey collected to assess the usefulness of the intervention? Are responses charted to provide auditable savings results?

3044. Do you work with any electronic medical record (EMR) companies to provide prescription drug information to prescribers?

3045. Are you capable of receiving data and integrating it from an EMR?

3046. Do you have a preferred partner for electronic prior authorization and eligibility/formulary verification?

3047. What percentage of claims in your book-of-business are e-prescribed?

3048. Please provide sample reports that document savings of clinical programs (case management, disease management, utilization review, etc.) that NDPERS will be receiving monthly, quarterly, etc.

Specialty Pharmacy

3049. How many specialty service pharmacies do you operate?

3050. Are your specialty service pharmacies owned or subcontracted?

3051. Which specialty service pharmacy would primarily service the NDPERS account?

3052. Does implementing NDPERS create capacity concerns at your specialty pharmacy?

3053. Is the proposed specialty network an open network (where members can use any specialty pharmacy) or closed network (members may only use Bidder's network)?

3054. Please describe your approach to specialty pharmacy. Please focus on the aspects that differentiate your services in the market.

3055. Are members contacted before each specialty fill? If so, is the outbound call made by a representative or an automated call?

3056. What is the average length of time spent with a member prior to the first fill of their specialty medication?

3057. Do you have pharmacists and technicians that are dedicated to serving members with certain disease states?

3058. 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.

3059. For any specialty patient assistance programs, describe if your programs are income based and/or rebate compliant?

3060. Please describe your strategy (formulary or more broadly), and how you engage your self-insured clients on coverage decisions related to high-cost therapies (e.g., CAR-T, Zolgensma)

3061. Please describe specialty site-of-care programs or initiatives or partnerships.

3062. Please describe solutions available to address rising costs of prescription drugs in the medical benefit?

3063. 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?

3064. Describe your specialty drug trend forecasting services. For example, how is the specialty drug pipeline monitored and what modeling tools are available to demonstrate the financial impact to the Client?

3065. What is the process for pricing reviews for specialty products with the client? It is expected that changes to pricing for individual drugs, such as those changes due to generic approvals, will warrant changes to the specialty pricing sections of the contract. What type of performance guarantee would you be willing to offer around updating contract pricing?

3066. Do you have a process you follow for patients that are being discharged from the hospital and need an immediate supply? If so, please describe.

3067. What percentage of Limited Distribution Drugs commercially available do you have access to?

3068. What is the process for procuring any limited distribution drugs that you currently do not have access to?

3069. Do you have infusion services? Can you arrange for nurses or other assistance on behalf of the member?

3070. 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

Formulary

NDPERS has an “open” formulary that has three coverage tiers. Tier 1 includes formulary generic drugs, Tier 2 includes formulary brand drugs, and Tier 3 includes all non-formulary products. Please provide a quote based on your open formulary that best aligns with NDPERS current formulary structure.

3071. Please describe your formulary offerings.

3072. Please indicate which formulary is being proposed for NDPERS, and why.

3073. Please provide a copy of your proposed Formulary including NDC, drug name, and formulary tier in excel format

3074. How frequently in your proposed formulary updated?

3075. 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?

3076. 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?

3077. Please discuss your position regarding "lowest net cost" as it relates to your formulary strategy and your flexibility in facilitating a “lowest net cost” strategy for clients.

3078. Do your agreements with prescription drug manufacturers condition rebates and discounts based on multi-product bundle?

3079. Does your proposed formulary exclude drug products that are high-cost with low clinical value (e.g. combination products where the combined products could be bought separately for a fraction of the cost)?

3080. Do you have controls or procedures to manage drugs that rapidly increase in price? Please describe how you monitor drug price inflation and the options that plan sponsors may have to mitigate this risk.

3081. Will you agree to maintain one comprehensive Maximum Allowable Cost (MAC) list for NDPERS at retail and mail?

3082. Please confirm you will provide a copy of the MAC list, including NDC and drug prices upon request.

3083. If desired, could you grandfather existing members for a select period of time (1-3 fills, 1 year, indefinitely)?

3084. Please describe any minimum formulary or plan design requirements for NDPERS to participate in rebate payments.

Account Management

3085. Do you propose a designated or dedicated account team for NDPERS?

3086. Provide an organizational chart for the NDPERS account management group and reporting structure to your management team.

3087. Will you agree to let NDPERS switch account team members if NDPERS is dissatisfied with service or fit?

3088. Describe the role of each proposed account team member and include a resume for each. Please include, at minimum, tenure at your company, years of experience, and office location.

3089. Will NDPERS have an executive sponsor? What role with the Executive Sponsor play during the contract term?

3090. What is your account team turnover rate (%)?

3091. What commitments will you make to ensure the consistency of the account team members you have proposed for NDPERS?

3092. Do you regularly survey your clients for their satisfaction with the quality of account management support provided by your firm? Please provide a copy of the assessment tool used.

3093. Please indicate your 2020 client retention rate

Data Analytics and Management Reporting

3094. Describe data analytic and reporting capabilities currently available.

3095. Is there an extra charge for data analytic services? If so, what are the charges?

3096. What are your market differentiators regarding analytic capabilities and outcomes?

3097. Bidder may be asked to transfer robust claims data set to an authorized third-party performing data aggregation services free of charge. Will you agree to comply with this request?

3098. What data types can you currently take-in and integrate for analytic purposes (e.g., Rx claims, lab data, medical data, behavioral data)?

3099. How do you notify/advise clients of new drugs in the pipeline and potential budget impact as well as benefit design implications?

3100. Describe what applications used to deliver results (e.g., dash board web-based reporting)

3101. What is your ability to provide web-based reporting? Does the user have the ability to create custom queries, drill-downs, etc.?

3102. Do you provide on-line training for web-based reporting? Please describe.

3103. What communication vehicle do you use to communicate drug recall and warnings notifications?

3104. What is your ability to provide customized and/or ad-hoc reporting and associated fees, if any?

3105. What is your ability to generate prior authorization (PA) reports that define denied and approved PAs, percentage of total requests approved, turnaround times and costs by product, group, region?

3106. What tools and analytics do you offer to help manage the pipeline, perform forecasting, and understand trend management? Are these analyses provided with benchmark comparisons?

3107. Describe or provide samples of standard reports around cost and utilization for the plan and its customers.

3108. Do you offer predictive modeling for benefit design, formulary and utilization management planning with capability to predict the financial and member impact, i.e., “what if” scenario modeling?

3109. Include sample copies of available reports.

Customer Service

3110. What is the location of your call center(s)?

3111. What call center(s) would be responsible for servicing NDPERS members?

3112. Describe your use of Interactive Voice Response (IVR).

3113. Will you have a dedicated phone number for NDPERS?

3114. Is your pharmacy call center available to members 24/7/365?

3115. Is a pharmacist available to members 24/7/365?

3116. Can a member leave a message at the member service line after hours? If so, what is the protocol for responding to this message?

3117. What is your first call resolution rate in the pharmacy call center?

3118. Do you have the capability to record 100% of the calls?

3119. Does your call monitoring application also provide for monitoring of screen navigation as well as call recording?

3120. Does your customer service inquiry system allow representatives to record comments so other customer service representatives can view previous notes to assist members?

3121. Describe in detail the training and qualifications of your customer service representatives (CSR). How will they be trained and educated on NDPERS specifics and new initiatives?

3122. Describe the system used to monitor the average speed of answer and abandonment rates. Describe in detail your time range standards. How often will this information be shared with NDPERS? Provide a sample report.

3123. Describe the level and frequency of customer service reporting you would provide NDPERS.

3124. How do you define / track member complaints and/or grievances?

3125. How do you report the complaints and grievances?

a. What are your turnaround times? Describe your workflow process.

b. How are complaints/grievances tracked by reason code?

c. Do you maintain a complaint log? Describe your complaint resolution process.

3126. Do you have an executive level complaint department? Describe the process from intake to resolution.

3127. Do you track Net Promoter Score (NPS)? If so, please provide the most recent NPS and describe if it applies to specific business segments (e.g. customer service).

3128. Describe your professional services departments for pharmacist inquiries.

a. Include company hours and days of operation, staffing and communications.

b. Where are these departments located?

c. Are these hours different than the retail pharmacy help desk? If so, what are the hours?

3129. Describe the qualifications and experience of the staff who handle Prior Authorization (PA) requests.

3130. Please describe your member website and member portal.

a. Can your website provide NDPERS specific plan information?

b. Does your website offer a pharmacy locator? Does the site offer information on retail stores that are open 24 hours/day?

c. Can members see their prescription drug claim history on the website?

d. Describe the web-enabled pricing comparison tools available to your members. Will the pricing tool account for NDPERS plan design?

e. Does your web-enabled pricing comparison tool provide pricing detail by pharmacy?

3131. Describe the staff and experience level of individuals who respond to member inquires received via email. What turnaround times and quality rates do you guarantee for email responses?

3132. How would you propose to handle email inquiries regarding pharmacy issues received via NDPERS's website?

3133. Does your mobile app and/or mobile enabled website include the following:

a. Formulary information

b. Network pharmacy lookup

c. Plan design information

d. Member ID card

e. Claims history

f. Family claims history

g. Drug price lookup by pharmacy

3134. Provide samples of communication material and welcome packets.

3135. What non-English language customer service staff or programs are available to assist NDPERS members?

3136. Do you provide non-English speaking members with educational materials in their native language?

3137. How will you assist with notifying members when the formulary status of medication has changed?

3138. Describe the appeal process. Provide materials used for member, physician, and pharmacy notification and provide your workflow process including turnaround times. How do you manage the process differently for states with unique requirements?

3139. Describe how written inquiries are handled.

Retail Pharmacy Network

3140. Please describe your retail pharmacy network strategy and how it is differentiated from other competitors.

3141. List the name of your proposed network and the number of retail pharmacies that participate in North Dakota and nationally.

3142. Based on the census provided, please complete a submit a Geo-Access analysis.

3143. Please describe your credentialing process including the process for removing pharmacies from the network. How often is credentialing/re-credentialing undertaken?

3144. Describe your 90-day retail network (including % of ND pharmacies in-network) and potential cost savings to NDPERS.

3145. Does your retail network contracting recognize some of the unique challenges of largely rural state? If so how?

Mail Service

3146. How many mail service pharmacies do you operate?

3147. Where are your mail pharmacies located? Which mail service pharmacy would primarily service the NDPERS account?

3148. Are your mail service pharmacies owned or subcontracted?

3149. Does implementing NDPERS create capacity concerns at your mail distribution center(s)?

3150. Do you have a program at the mail facility to align and bundle shipment for members with more than one prescription?

3151. How do you assure patient consent to send an order prior to shipping?

3152. Are there any items/medications you do not ship (e.g. controlled substances)?

3153. What company or companies do you have shipping contracts with for the mail service?

3154. Can members track their mail order prescription?

3155. Can you deliver mail or specialty medications to the member's location of choice (e.g. home address, office, doctor's office, hospital, pharmacy, neighbor's address)?

3156. How long will you hold a prescription that requires an intervention before returning, filling, or calling members?

3157. Do you retain member credit cards? If so, what security measure do you employ to protect this information?

3158. Is payment required before orders are shipped? If no, what is the maximum outstanding balance owed before you hold orders?

3159. Do you provide Durable Medical Equipment (DME) items through the mail pharmacy?

3160. Are you willing to agree that medications shipped in error, damaged in shipment, lost in transit, left by courier without confirmation of receipt when requested, and rendered unusable by NDPERS due to negligence or error in delivery process will not be the financial burden to NDPERS or our patients? How are these types of shipping errors reported to NDPERS?

Implementation

3161. How long is the recommended timeline for a successful implementation? Please provide a proposed implementation plan – include resource requirement, tools, timelines, etc.

3162. Who will comprise your dedicated implementation team and what roles will they serve?

3163. Who has the ultimate responsibility for issues that occur during implementation?

3164. Does the account management team participate in the implementation?

3165. Please define in detail your expectations of NDPERS (deliverables, resource access, etc.) to support and facilitate the implementation process.

3166. Please describe your preferred banking arrangement and flexibility to accommodate alternative arrangements.

3167. What document templates / tools do you use to track progress and monitor open issues and tasks during implementation?

3168. 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? If yes, explain the recommended process to follow and data specifications for transfer of data.

3169. Will you agree to provide 24 months of complete claims data, open prior authorization files, and open mail order refill files to CLIENT upon the termination of the agreement/ contract?

3170. Please describe how you manage the transition process from the incumbent for members on specialty medications to mitigate disruption?

3171. Please describe how prior authorizations, mail order prescriptions not yet delivered, would be managed when transitioning pharmacy vendors?

3172. Please describe the formulary and benefit design accuracy testing processes that occur during implementation? After implementation? How are issues found and handled?

3173. If an error occurs in coding of the plan design or clinical edits during implementation, what is your typical turnaround time to resolve the issue?

3174. What type of training will you provide during implementation on your systems and reporting tools? Will the training be provided on-site at NDPERS's location if desired?

3175. What is the typically the biggest implementation challenge facing you given the size and scope of our business?

Eligibility

3176. What is your process when a request is received for prescriptions from someone who is not eligible, or shown as terminated from the plan?

3177. Do you have any restrictions to the eligibility file layouts that you can support?

3178. 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?

3179. What system edits and processes do you have in place to ensure that an incorrectly submitted NDPERS file does not have a significant impact to eligibility? Please describe these processes and systemic edits with specific examples of what they prevent.

3180. Will NDPERS be able to make online eligibility changes real time? Describe the internal and external systems security measures in place. Describe any charges for this access.

3181. If members are added online, how does the eligibility file process against that member if the data is not the same?

3182. How much time is required to produce ID cards after receipt of clean eligibility data?

Claims Processing/Adjudication

3183. Describe your ability to integrate accumulators between medical and prescription drug either on an integrated or “carve-out” basis.

3184. How often can accumulators be exchanged/updated for members that elect the high-deductible health plan?

3185. How are member out-of-pocket accumulators reconciled to validate that the limits are not exceeded?

3186. If errors are identified in pricing or claims processing, how will NDPERS and its members be notified? How quickly will underpayments or overpayments be reconciled?

3187. What is your process for handling disputed claims?

3188. What is your system hierarchy (client, group, individual)?

3189. Do you measure claim financial accuracy and claim procedural accuracy separately? What are your standards for each?

3190. Please describe your procedures for paying delayed claim interest. Is the process entirely automated? If not, please describe any manual intervention. Also, please describe your procedures for keeping current regarding state delayed claim interest regulations and federal prompt pay legislation.

3191. Direct Member Reimbursements (DMR):

   a. Please provide a copy of your policy document regarding processing/reporting of paper claims and the claim form required for paper claims submissions.

   b. How do you handle receipt of a form that is incomplete or not in the required format?

   c. Describe the criteria used to screen paper claims for possible duplicates.

   d. What is your turnaround time for paying manual claims? Define how this is measured.

3192. Subrogation: Identify subrogation opportunities within pharmacy claims area (e.g., Auto, Workers’ Comp).

3193. Can you administer coordination of benefits at the point of sale? If client supplied indicators are required, please describe the requirements.

3194. What quality assurance measures are taken to ensure that the federal and/or state laws for member submitted claim turnaround times are adhered to? What is the frequency of validation that all laws are being adhered to?

3195. Audit services:

   e. What audit functionality exists to ensure that claims are being paid accurately? Include both prospective and retrospective programs that focus on overpayments (inappropriately paid claims), fraud, waste and abuse.

   f. How often do you audit the accuracy of plan pricing and overall adjudication accuracy? Please describe this process.

   g. What is the average drug cost savings achieved as a result of an audit?

   h. NDPERS requires an unrestricted right regarding the selection of an auditor (no Bidder input or sign-off) to perform its audit functions of the Bidder, pharmacy or downstream contractors. Please note any issues or concerns that the Bidder may have with this requirement.

   i. Once claims are archived, what is the retrieval timeframe if needed for an audit?

3196. How long is claims data stored in the system before it is archived?

3197. Provide samples of your explanation of benefits (EOB) and claims forms.

3198. Provide a copy of your most recent SSAE 18 results.

Information Technology

3199. Describe your privacy protection and data security standards (e.g., HIPAA, PHI). Describe certifications and other external audits. Describe the test criteria used to ensure the standards are met. Can you supply the results? Have you completed external ethical hacking tests, etc.?

3200. Are there any major system enhancements or conversions planned or being considered within the next 24 months? How are regulatory items managed in the release process? For packaged applications, what is the process and duration to upgrade a vendor release to the released version? What is the process used to maintain operating systems? What is the potential impact on NDPERS implementation?

3201. Describe how you would differentiate an enhancement that is classified as an upgrade available to NDPERS versus enhanced technology that would be billable. Please provide examples of items you would consider as outside the scope of a technology refresh and therefore billable.

3202. Describe your business continuity and disaster recovery plans for internet, eligibility, claims process and information management (data warehouse) systems. As part of the response, highlight any adjustments in the plan according to the magnitude and duration of the disaster (e.g., outages of one day, vs. a week, month, etc.).

3203. List the number of times and duration claims processing system experienced unscheduled down-time over the past twelve months. Have customer commitments been missed? Do Service Level Agreements (SLAs) exist and can you provide copies of the SLAs and recent results?

3204. Describe the administrative functionality that NDPERS would have at their desk-top (customer service, client services, eligibility, reporting, etc.) and what functionality would be performed by you. What limitations should the NDPERS business units expect when interfacing with the systems in terms of access or functionality?

3205. Does your system have the capability to accept “test” claims submitted by NDPERS based on various NDPERS defined scenarios to evaluate system flexibility, accuracy and efficiency? What involvement and what processes will be used to test NDPERS system capabilities on an ongoing basis?

3206. Do you have the ability to make system design changes based on NDPERS needs? What is the typical length of time for programming changes? How is it managed within your software release cycle? If any charges apply, please specify. Differentiate between client requests and regulatory / package upgrades.

3207. What additional third-party systems does your system interface with (e.g., medical claims processing systems, phone systems, etc.)?

3208. 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.

3209. Describe your practices for prevention of identity theft and compliance with any applicable legal requirements, including FTC Red Flag Rules, to the extent applicable. Are customers / businesses notified if a breach occurs? What are the internal/external processes for managing a breach?

Financial

NOTE: Submit your pricing proposal separately from that of your technical proposal using Appendix D.

3210. Based on clients in your book-of-business that have had your proposed formulary in place, please provide the average drug trend in 2017, 2018, and 2019 gross and net of rebates?

3211. 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 class?

3212. Based on your book-of-business, what percentage of prescriptions adjudicate at U&C price?

3213. Based on your book-of-business, what percentage of generic prescriptions adjudicate at MAC price?

3214. How often are MAC prices updated?

3215. Once a generic comes to market, how long does it take to add it to the MAC price list?

3216. Please describe your typical manufacturer revenue payment schedule (e.g. 90 days after the end of the quarter).

3217. How are rebates paid? Paid by crediting NDPERS account or payment is issued by check?

3218. Please describe your manufacturer revenue reconciliation process and timing against manufacturer contracts to confirm accurate payment to NDPERS.

3219. Under a pass-through contract, will you agree to a full pass-through for all manufacturer revenue derived by NDPERS specific utilization, with full audit rights to manufacturer contracts, rebate payments, and administrative fees?

3220. Under a pass-through contract, will you agree to quarterly reports that indicate the dollar volume of manufacturer revenue collected at the NDC level? If so, please provide a sample report.

3221. How often are rebate contracts renegotiated?

3222. Do you have any inflation protection contracts in place today? If so, under a pass-through contract, do you agree to include any revenue resulting from inflation protection contracts back to NDPERS?

3223. Do you have any value-based rebate contracts in place today? If so, what mechanisms are in place to govern value-based payments?

3224. In a pass-through contract, please confirm that manufacturer revenue collected as a result of utilization from biosimilars or limited distribution drugs will be paid to NDPERS.

3225. Please confirm you can administer point-of-sale rebates if desired. Please note any applicable fee or charge associated with POS rebates.

3226. If NDPERS were to implement POS rebates, does NDPERS have the ability to decide if, and how much, is shared with the member?

3227. Please confirm if you are willing to act as a fiduciary in the administration of this prescription drug plan.

3228. Please confirm your proposal is based on the plan design included with this RFP and the proposal parameters

3229. Please confirm your proposal does not require any plan design changes to qualify for the terms in your offer (e.g., specific differential between preferred and non-preferred brands to qualify for rebates, etc.)

3230. Please confirm you will use Medi-Span as the sole source of Average Wholesale Price (AWP) (excepting a change in the industry that would require a change)

3231. Please confirm that AWP will be defined as Medi-Span's unit price for the 11-digit national drug code (NDC) of the product dispensed on the date-of-service for the quantity dispensed.

3232. Please confirm "Generic Drug" will be defined according to Medi-Span classification (Medi-Span Multisource Code field is a "Y" indicator)

3233. Please confirm "Brand Drug" will be defined according to Medi-Span classification (Medi-Span Multisource Code field is a "M", "N", or "O" indicator)

3234. 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 based on the NDC-11 dispensed

3235. Please confirm that once a drug product is defined as “Generic” or “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.

3236. Please confirm that manufacturer derived revenue 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 CLIENT’s claim utilization or data.

3237. Please confirm member cost share will always be the lowest of the U&C, MAC, AWP discount, or member cost share.

3238. Please confirm that OTC exclusions (to the extent applicable) are not applicable to insulin or diabetic supplies (such as test strips)

3239. Please confirm that any coupons used by members will be excluded from ingredient cost calculation.

3240. Please confirm guarantees will include "Zero Balance Due" (100% member paid) claims at the ingredient cost prior to application of the member cost share and shall not be counted as AWP-100%.

3241. Please confirm that guarantees will exclude all claims that adjudicate at U&C.

3242. Please confirm there is no dispensing fee assessed for U&C claims.

3243. For pharmacy chains with low-cost generic programs ($4, $5, $10), please confirm your contracts include these low-cost programs and they would be included as the U&C price.

3244. Please confirm that discount guarantees are not subject to aggregate day supply minimums and will be reconciled according to distribution channel.

3245. Please confirm that rebate guarantees are not subject to aggregate day supply minimums and will be reconciled according to distribution channel.

3246. Please confirm your proposal includes both a specialty drug list drug-by-drug discounts and an overall effective specialty discount guarantee.

3247. Please confirm that for purposes of discount and rebate guarantees, all HIV medications will be included as “specialty”.

3248. Please confirm that no DAW penalties will be included in discount reconciliation.

3249. Please confirm that your manufacturer derived revenue 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.

3250. Please confirm there are no minimum “claim floors” or amount due (at retail, mail, or specialty)

3251. Please confirm that postage increases will not be passed on to NDPERS.

3252. Please confirm 100% of revenue earned from manufacturers will be passed through to NDPERS, 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 NDPERS’ claim utilization or data.

3253. Please describe any requirements, terms, exclusions, or other caveats related to your manufacturer revenue guarantee.

3254. Please confirm manufacturer revenue will not include any funds collected through patient assistance programs.

3255. Please confirm generic discount guarantees are inclusive of MAC and Non-MAC discounts.

3256. Please confirm that dispensing fees are assessed on paid claims only and not reversed or rejected claims.

3257. 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 RFP may be re-opened.

3258. Please confirm the proposed discounts, dispensing fees, and manufacturer revenue are guaranteed by distinct component within the retail, mail, and specialty distribution channels such that a guarantee surplus in one guarantee component is not offset by a shortfall in another guarantee component.

3259. 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

3260. 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 guarantees with a full reconciliation of manufacturer revenue after all manufacturer revenue has been collected and remitted from the manufacturers (no later than 270 days after the end of the contract year))

3261. Please provide a copy of your audit language.

Regulatory / Compliance

3262. Do you have any disputes currently outstanding (or threatened) with any state or federal regulators related to any portion of your business? If so, what is the nature of these disputes?

3263. What is the relationship between you and state regulatory agencies including, but not limited to, state departments of insurance and health? What measures, if any, are being taken to maintain/ improve your regulatory relations?

3264. Confirm you are fully-licensed or registered as a PBM, utilization review company or third party administrator in North Dakota. Please provide a copy of the procedures you used to assure compliance with Federal and North Dakota State regulatory, government contracting and quasi-regulatory (e.g., NCQA, URAC) requirements, including, but not limited to, pharmacy auditing, contracting and credentialing.

3265. Provide a summary of any state department of insurance, state attorney general, state pharmacy board, U.S. Department of Labor and other state or Federal regulatory agency complaints filed against you, as well as information on complaints, grievances and appeals resulting from PBM operations. Indicate what provider, member, plan sponsor or regulatory issue is involved, as well as, upheld/ overturned status and general nature of complaint or investigation. If the matter resulted in a corrective action plan ("CAP"), please provide a copy of the CAP.

3266. Have you been investigated or audited, directly or indirectly through an investigation or audit of a client/customer, by any state or Federal agency or other regulatory body (e.g., DOI, DOH, CMS, DOL, DEA, State Pharmacy Board, etc.) in the past three years? What were the findings and what steps are (were) being taken to address any deficiencies? Are you currently subject to or threatened with any state or Federal investigation or regulatory audit? Please provide copies of regulatory audit reports and your responses, if applicable.

3267. Have you been subjected to any fines or penalties, or been excluded/barred from any activities or programs as a result of regulatory or judicial action, within the past three years? If so, what was the nature of the underlying issue(s), and what was the penalty? What steps are being (were) taken to prevent recurrences? Any pending or threatened proceedings that could result in such penalties?

3268. How are you supporting IRSB-Notice requirements? Do you have the ability to perform back-up withholdings on flagged providers?

3269. Is the process you use for late claim interest/penalties automated or manual? Please explain.

3270. Please provide a copy of your Compliance Plan including fraud, waste and abuse program (to the extent not provided in response to previous sections of the RFP). Have you had adverse findings in a Market Conduct exam within the last three years? If so, please provide details.

3271. Describe your internal accounting controls and how the internal controls are monitored.

3272. Describe the structure of your Internal Audit function.

3273. Indicate whether internal/external audits have revealed any significant internal control deficiencies or weaknesses or other issues in the past three years.

3274. Please provide a copy of your most recent SOC2 report

3275. Describe any significant failures over the past three years in your compliance program effectiveness, including regulatory violations, affecting PBM related operations.

3276. Please provide the following:

a. Organizational and reporting charts for compliance operations (to the extent not provided in response to prior section of this RFP);

b. Training materials for employees and sub-contractors (to the extent not provided in response to prior section of this RFP);

c. Compliance monitoring and oversight policies and procedures;

d. Description of internal investigations and any self-disclosures.

Confidentiality

3277. Please provide a status report on your HIPAA and other privacy law compliance efforts. How are HIPAA and privacy compliance incorporated into your overall compliance activities?

3278. How frequently do you conduct audits for HIPAA compliance? Are you willing to share the results of those audits with us? Would you be willing to audit at a frequency required by NDPERS?

3279. Indicate your practice with respect to sharing members' medical and prescription information with providers, plan sponsors, pharmaceutical manufacturers or other commercial entities such as data aggregators.

3280. Identify your designated Privacy & Security Officers and describe their qualifications.\

3281. Please indicate if you can comply with NDCC 54-52.1-11 & 54-52.1-12.

Lawsuits/Claims

3282. What is the nature and extent (number of cases, potential financial or other exposure) of current litigation outstanding, or to the knowledge of management threatened, against you?

3283. Does any of this litigation involve: (i) multiple plaintiffs or a class of plaintiffs; (ii) any allegation of (A) criminal wrongdoing (including any RICO claim), (B) violation of securities, antitrust or environmental statuses; (C) direct or vicarious malpractice on your part or you employees; or (D) any action or matter excluded from coverage under your insurance policies; or (iii) claims for (A) punitive or exemplary damages, or (B) compensatory damages in excess of $500,000? If so, what are the details of the suit?

3284. Are any claims pending, or to your knowledge threatened, against you or your officers or directors before any regulatory body or agency in connection? What is the nature and status of the claim(s)?

3285. Are you a party to any pending arbitration or mediation proceeding? If so, what is the nature and status?

Related Party Issues

3286. Describe any equity, financial or other interests you hold in vendors, suppliers, consultants and other business with which you have a commercial relationship related to your pharmacy or PBM operations.

Discussion of Information Used to Manage Business

3287. Describe the capabilities of your financial reporting systems.

3288. Describe what information is available and how timely the information becomes available with regard to revenues, medical costs, and overhead.

3289. Describe how your profitability is tracked by product segment, by market and by customer.

3290. Describe how often financial closing are performed and how long it takes to get final results.

Controls / Compliance

3291. Describe your internal accounting controls and how the internal controls are monitored.

3292. Describe the structure of your Internal Audit function.

3293. Indicate whether internal/external audits have revealed any significant internal control deficiencies or weaknesses or other issues in the past three years.

3294. Indicate what your compliance policies are and indicate whether there have been significant failures over the past three years, including regulatory violations, affecting the health operations.

Risk Management and Insurance Information

3295. Loss Runs from your liability insurance carriers- prior full three years.

3296. All significant liability insurance paid claims (> $25,000).

Appendix D1

North Dakota Public Employees Retirement System
Request for Proposals - Health Plan Administrator
FULLY INSURED - WITH & WITHOUT PRESCRIPTION DRUG COVERAGE

Proposers are required to complete the questions and cost proposal exhibits provided in this section if proposing on an insured basis. As described in Section IV., Proposal Submission, of this RFP, cost proposal exhibits must be submitted to Deloitte Consulting only. The exhibits must be submitted in the prescribed format. Vendors may provide supplemental information but may not deviate from utilizing the provided Excel worksheets. Refer to Section IV. Proposal Submission for details. Instructions are outlined in the RFP and with each of the required exhibits (tabs).

The cost proposal consists of the following components and related exhibits:

- Medical & Rx Premiums (D1.1)
- Plan Design Change Impacts (D1.2)

Appendix D1.1

D1.1

North Dakota Public Employees Retirement System
Request for Proposals - Health Plan Administrator

FULLY INSURED

D1.1 MEDICAL + PRESCRIPTION DRUG PREMIUMS

YOUR COMPANY NAME: Bidder Name

- RATES MUST INCLUDE $2.80 PEPM NDPERS ADMINISTRATION FEE
- ASSUMES PROPOSING VENDOR WILL BE SOLE CARRIER
- MEDICARE RATES EXCLUDE PRESCRIPTION DRUG
- PREMIUM RATES MUST BE DIVISBLE EVENLY BY TWO FOR BI-WEEKLY PAYROLL

Dakota Plan	Status	Coverage Level	Billed Rate	Paid to Carrier	Enrollment	Medical & Pharmacy Coverage: Proposed Rate	Medical & Pharmacy Coverage: Biannual Premium	Medical Coverage Only: Proposed Rate	Medical Coverage Only: Biannual Premium
State Program									
Grandfathered Plan									
July 1, 2019 - June 30, 2021	Active	Flat Rate per Contract	$1,426.74	$1,423.94					
	COBRA*/Part-Time/Temporary/LOA	Single	$686.70	$683.90					
		Family	$1,653.02	$1,650.22					
High Deductible Health Plan									
July 1, 2019 - June 30, 2021	Active	Flat Rate per Contract	$1,426.74	$1,423.94					
	COBRA*/Part-Time/Temporary/LOA	Single	$598.36	$595.56					
		Family	$1,442.26	$1,439.46					
Political Subdivision Enrolled Prior to July 1, 2019									
Grandfathered Plan									
July 1, 2019 - June 30, 2021	Active/COBRA*	Single	$733.68	$730.88					
		Family	$1,773.60	$1,770.80					
NonGrandfathered Plan									
July 1, 2019 - June 30, 2021	Active/COBRA*	Single	$744.84	$742.04					
		Family	$1,800.58	$1,797.78					
Political Subdivision Enrolled On or After to July 1, 2019									
Grandfathered Plan									
July 1, 2019 - June 30, 2020	Active/COBRA*	Single	$714.68	$711.88					
		Family	$1,727.56	$1,724.76					
July 1, 2020 - June 30, 2021	Active/COBRA*	Single	$752.68	$749.88					
		Family	$1,819.64	$1,816.84					
NonGrandfathered Plan									
July 1, 2019 - June 30, 2020	Active/COBRA*	Single	$725.56	$722.76					
		Family	$1,753.84	$1,751.04					
July 1, 2020 - June 30, 2021	Active/COBRA*	Single	$764.14	$761.34					
		Family	$1,847.32	$1,844.52					
Non-Medicare Retirees									
Grandfathered Plan									
July 1, 2019 - June 30, 2021	Non-Medicare Retirees	Single	$1,028.64	$1,025.84					
		Family	$2,054.48	$2,051.68					
		Family 3+	$2,567.40	$2,564.60					
Total									

*COBRA rates have an additional 2% NDPERS Administration

Dakota Retiree Plan	Status	Coverage Level	Current Billed Rate	Paid to Carrier**	Enrollment	Proposed Rate (Medical Only)	Biannual Premium
Enrolled Prior to July 1, 2019							
July 1, 2019 - June 30, 2021	Medicare Eligible (Parts A&B)	Single	$295.28	$206.22			
		Family	$587.74	$412.42			
		One Medicare/ One Non-Medicare	$848.08	$759.02			
Enrolled On or After July 1, 2019							
July 1, 2019 - June 30, 2020	Medicare Eligible (Parts A&B)	Single	$292.60	$203.54			
		Family	$582.38	$407.06			
		One Medicare/ One Non-Medicare	$872.18	$741.98			
July 1, 2010 - June 30, 2021	Medicare Eligible (Parts A&B)	Single	$297.96	$208.90			
		Family	$593.10	$417.78			
		One Medicare/ One Non-Medicare	$865.14	$776.08			

Not Applicable. Retiree prescription drug is provided through a fully-insured EGWP plan that is not in the scope of this RFP

** Excludes EGWP Part-D Premium

CONFIRM THAT THE PROPOSED RATES INCLUDE $2.80 PER CONTRACT FOR THE NDPERS ADMINISTRATIVE FEE.

Answer: Yes or No

CONFIRM YOU ARE WILLING TO ENTER INTO A RISK SHARE ARRANGEMENT AS DESCRIBED IN THE OVERVIEW OF THE NDPERS PROGRAM.

Answer: Yes or No

CONFIRM WHETHER THE RATES ABOVE ASSUME TRADITIONAL OR TRANSPARENT/PASS-THROUGH PRESCRIPTION DRUG TERMS. PROVIDE THE PERCENTAGE IMPACT TO THE ABOVE ACTIVE/NON-MEDICARE RATES UNDER THE OTHER PRESCRIPTION DRUG CONTRACT TYPE

Answer: Spread/Pass-Through

Answer: Impact to change to Spread/Pass-Through

CONFIRM THAT YOUR FULLY-INSURED PROPOSAL WILL COMPLY WITH NORTH DAKOTA CENTURY CODE CHAPTER 54-52.1-04.16

Answer: Yes or No

INDICATE COSTS, IF ANY, TO SUPPORT THE FOLLOWING EXISTING PROGRAMS:

Program	Year 1	Year 2	Basis
ABOUT THE PATIENT	$0.00	$0.00	PEPM
TOBACCO CESSATION	$0.00	$0.00	PEPM
WELLNESS BENEFIT PROGRAM	$0.00	$0.00	PEPM

Appendix D1.2

North Dakota Public Employees Retirement System
Request for Proposals - Health Plan Administrator

FULLY INSURED

D1.2 PLAN DESIGN CHANGE ACTUARIAL IMPACTS

YOUR COMPANY NAME: **Bidder Name**

- **IN THE YELLOW BOXES, PROVIDE THE RATE IMPACT FOR THE PROPOSED PLAN DESIGN CHANGES ILLUSTRATED BELOW ON A PERCENT REDUCTION BASIS**

Plan Design Change Value	N/A - Current		-X.X% Change		-X.X% Change		-X.X% Change	
Plan Design Provisions	Existing PPO/Basic/Grandfathered		Option 1 Non-Grandfathered		Option 2 Non-Grandfathered		Option 3 Non-Grandfathered	
	PPO	Basic	PPO	Basic	PPO	Basic	PPO	Basic
Single Deductible	$500	$500	$1,000	$1,000	$1,000	$1,000	$1,000	$1,000
Family Deductible	$1,500	$1,500	$3,000	$3,000	$3,000	$3,000	$3,000	$3,000
Single Coinsurance/Max	80%/$1,000	75%/$1,500	80% $1,750	75% $2,250	80% $2,750	75% $3,250	80% $4,000	75% $4,500
Family Coinsurance/Max	80%/$2,000	75%/$3,000	80% $3,500	75% $4,500	80% $5,500	75% $6,500	80% $8,000	75% $9,000
Single Maximum Out of Pocket	$1,500	$2,000	$2,750	$3,250	$3,750	$4,250	$5,000	$5,500
Family Maximum Out of Pocket	$3,500	$4,500	$6,500	$7,500	$8,500	$9,500	$11,000	$12,000
Office Visit Copayment	$30	$35	$30	$35	$30	$35	$30	$35
Emergency Room Copayment	$60	$60	$60	$60	$60	$60	$60	$60
Preventive Care	$30 Copay	$35 Copay	100%	100%	100%	100%	100%	100%
Formulary Generic	$7.50/88%	$7.50/88%	$10	$10	$10	$10	$10	$10
Formulary Brand	$25/75%	$25/75%	$25/75%	$25/75%	$25/75%	$25/75%	$25/75%	$25/75%
Non-Formulary Drugs	$30/50%	$30/50%	$30/50%	$30/50%	$30/50%	$30/50%	$30/50%	$30/50%
Coinsurance Max	$1,200	$1,200	Part of Medical	Part of Medical	Part of Medical	Part of Medical	Part of Medical	Part of Medical

**High-deductible plan not shown since no design changes are contemplated*

Appendix D2

North Dakota Public Employees Retirement System
Request for Proposals - Health Plan Administrator
SELF INSURED MEDICAL

Proposers are required to complete the questions and cost proposal exhibits provided in this section if proposing on a self-insured basis. As described in Section IV., Proposal Submission, of this RFP, cost proposal exhibits must be submitted to Deloitte Consulting only. The exhibits must be submitted in the prescribed format. Vendors may provide supplemental information but may not deviate from utilizing the provided Excel worksheets. Refer to Section IV. Proposal Submission for details. Instructions are outlined in the RFP and with each of the required exhibits (tabs).

The cost proposal consists of the following components and related exhibits:

Medical Enrollment (D2.1)
Trend Assumptions (D2.2)
Medical Administrative Fees (D2.3)
CPT Reimbursement (D2.4)
Average Facility Reimbursement by 3-Digit Zip (D2.5)

Appendix D
Inputs supplement

Top Facilities: Inpatient

Facility	Tax ID	City	State	Zip	Inpatient Net Paid	Avg. Inpatient Discount
SANFORD MEDICAL CENTER F	450226909	FARGO	ND	58122	$17,984,974	
ALTRU HEALTH SYSTEM, DBA	450310462	GRAND FORKS	ND	58201	$14,574,704	
ST ALEXIUS MEDICAL CTR	450226711	BISMARCK	ND	58501	$12,014,383	
SANFORD MEDICAL CENTER	450226700	BISMARCK	ND	58501	$12,007,262	
TRINITY HOSPITALS	412002771	MINOT	ND	58701	$5,463,355	
ESSENTIA HEALTH FARGO	261175213	FARGO	ND	58103	$4,646,245	
LUTHERAN CHARITY ASSOCIA	450231181	JAMESTOWN	ND	58401	$1,957,270	
ST JOSEPHS HOSPITAL	450226429	DICKINSON	ND	58601	$1,626,581	
FARGO VAMC	450226662	FARGO	ND	58102	$1,610,285	
MERCY HOSPITAL	450231183	WILLISTON	ND	58801	$1,467,018	
ALTRU REHABILITATION CEN	450310462	GRAND FORKS	ND	58201	$730,038	
THE MERCY HOSPITAL OF DE	450227012	DEVILS LAKE	ND	58301	$657,972	
PSJ ACQUISITION LLC	264314533	FARGO	ND	58103	$610,248	
FAIRVIEW COMMUNITY HOSP	410991680	MINNEAPOLIS	MN	55454	$587,345	
RIVERVIEW HOSPITAL	410724029	CROOKSTON	MN	56716	$525,024	
UNITY HOSPITAL	450310159	GRAFTON	ND	58237	$414,567	
ST ANDREWS HOSPITAL	450226426	BOTTINEAU	ND	58318	$367,050	
LISBON AREA HEALTH SERVI	820558836	LISBON	ND	58054	$318,517	
ST ALEXIUS PSYCH	450226711	BISMARCK	ND	58501	$308,304	
WEST RIVER REGIONAL MED	450340688	HETTINGER	ND	58639	$306,814	
Totals					$78,177,958	0.0%

Data will be updated before release of RFP

Top Facilities: Outpatient

Facility	Tax ID	City	State	Zip	Outpatient Net Paid	Avg. Outpatient Discount
SANFORD MEDICAL CENTER F	450226909	FARGO	ND	58122	$17,984,974	
ALTRU HEALTH SYSTEM, DBA	450310462	GRAND FORKS	ND	58201	$14,574,704	
ST ALEXIUS MEDICAL CTR	450226711	BISMARCK	ND	58501	$12,014,383	
SANFORD MEDICAL CENTER	450226700	BISMARCK	ND	58501	$12,007,262	
TRINITY HOSPITALS	412002771	MINOT	ND	58701	$5,463,355	
ESSENTIA HEALTH FARGO	261175213	FARGO	ND	58103	$4,646,245	
LUTHERAN CHARITY ASSOCIA	450231181	JAMESTOWN	ND	58401	$1,957,270	
ST JOSEPHS HOSPITAL	450226429	DICKINSON	ND	58601	$1,626,581	
FARGO VAMC	450226662	FARGO	ND	58102	$1,610,285	
MERCY HOSPITAL	450231183	WILLISTON	ND	58801	$1,467,018	
ALTRU REHABILITATION CEN	450310462	GRAND FORKS	ND	58201	$730,038	
THE MERCY HOSPITAL OF DE	450227012	DEVILS LAKE	ND	58301	$657,972	
PSJ ACQUISITION LLC	264314533	FARGO	ND	58103	$610,248	
FAIRVIEW COMMUNITY HOSP	410991680	MINNEAPOLIS	MN	55454	$587,345	
RIVERVIEW HOSPITAL	410724029	CROOKSTON	MN	56716	$525,024	
UNITY HOSPITAL	450310159	GRAFTON	ND	58237	$414,567	
ST ANDREWS HOSPITAL	450226426	BOTTINEAU	ND	58318	$367,050	
LISBON AREA HEALTH SERVI	820558836	LISBON	ND	58054	$318,517	
ST ALEXIUS PSYCH	450226711	BISMARCK	ND	58501	$308,304	
WEST RIVER REGIONAL MED	450340688	HETTINGER	ND	58639	$306,814	
Totals					$78,177,958	0.0%

Appendix D
Outputs supplement

~ Please save the output by clicking on the "Save Output" button below. Return only the "Outputs" sheet after populating the requested fields.

~ Review the "Outputs" worksheet. Note that if any of the outputs are red you have included an invalid input entry. In this event please check the inputs tab and correct any invalid entries highlighted in red before you take the last step.

Save Output

Inpatient
0.0%

Hospital Name	Avg. Inpatient Discount
SANFORD MEDICAL CENTER F	Blank
ALTRU HEALTH SYSTEM, DBA	Blank
ST ALEXIUS MEDICAL CTR	Blank
SANFORD MEDICAL CENTER	Blank
TRINITY HOSPITALS	Blank
ESSENTIA HEALTH FARGO	Blank
LUTHERAN CHARITY ASSOCIA	Blank
ST JOSEPHS HOSPITAL	Blank
FARGO VAMC	Blank
MERCY HOSPITAL	Blank
ALTRU REHABILITATION CEN	Blank
THE MERCY HOSPITAL OF DE	Blank
PSJ ACQUISITION LLC	Blank
FAIRVIEW COMMUNITY HOSP	Blank
RIVERVIEW HOSPITAL	Blank
UNITY HOSPITAL	Blank
ST ANDREWS HOSPITAL	Blank
LISBON AREA HEALTH SERVI	Blank
ST ALEXIUS PSYCH	Blank
WEST RIVER REGIONAL MED	Blank

Outpatient
0.0%

Hospital Name	Avg. Outpatient Discount
SANFORD MEDICAL CENTER F	Blank
ALTRU HEALTH SYSTEM, DBA	Blank
ST ALEXIUS MEDICAL CTR	Blank
SANFORD MEDICAL CENTER	Blank
TRINITY HOSPITALS	Blank
ESSENTIA HEALTH FARGO	Blank
LUTHERAN CHARITY ASSOCIA	Blank
ST JOSEPHS HOSPITAL	Blank
FARGO VAMC	Blank
MERCY HOSPITAL	Blank
ALTRU REHABILITATION CEN	Blank
THE MERCY HOSPITAL OF DE	Blank
PSJ ACQUISITION LLC	Blank
FAIRVIEW COMMUNITY HOSP	Blank
RIVERVIEW HOSPITAL	Blank
UNITY HOSPITAL	Blank
ST ANDREWS HOSPITAL	Blank
LISBON AREA HEALTH SERVI	Blank
ST ALEXIUS PSYCH	Blank
WEST RIVER REGIONAL MED	Blank

Appendix D Supplement

Instructions:

~ NOTE: This spreadsheet will aggregate your data on the "Outputs" sheet so NDPERS and Deloitte Consulting cannot see any of your hospital specific information.

~ Please input your average discount for ALL inpatient services in G3:G22

~ Please input your average discount for ALL outpatient services in H27:G46

~ Blanks, Zeroes, Text and Negative Numbers will not be accepted for this analysis.

~ Review the "Outputs" worksheet. Note that if any of the outputs are red you have included an invalid input entry. In this event please check the inputs tab and correct any invalid entries highlighted in red before you take the last step.

~ Please click the "Save Outputs" button which will paste the "Outputs" sheet as values in a new work book. Please return only the pasted as values workbook to Deloitte Consulting.

Appendix D2.1
D2.1
Cost Proposal
Self-Insured

North Dakota Public Employees Retirement System
Request for Proposals - Health Plan Administrator
SELF - INSURED MEDICAL

Enrollment to be updated before RFP is distributed

D2.1 MEDICAL ENROLLMENT EXHIBIT (INFORMATIONAL ONLY)

Dakota Plan	Status	Coverage Level	Enrollment
State Program			
Grandfathered Plan			
July 1, 2019 - June 30, 2021	Active	Flat Rate per Contract	
	COBRA*/Part-Time/Temporary/LOA	Single	
		Family	
High Deductible Health Plan			
July 1, 2019 - June 30, 2021	Active	Flat Rate per Contract	
	COBRA*/Part-Time/Temporary/LOA	Single	
		Family	
Political Subdivision Enrolled Prior to July 1, 2019			
Grandfathered Plan			
July 1, 2019 - June 30, 2021	Active/COBRA*	Single	
		Family	
NonGrandfathered Plan			
July 1, 2019 - June 30, 2021	Active/COBRA*	Single	
		Family	
Political Subdivision Enrolled On or After to July 1, 2019			
Grandfathered Plan			
July 1, 2019 - June 30, 2020	Active/COBRA*	Single	
		Family	
July 1, 2020 - June 30, 2021	Active/COBRA*	Single	
		Family	
NonGrandfathered Plan			
July 1, 2019 - June 30, 2020	Active/COBRA*	Single	
		Family	
July 1, 2020 - June 30, 2021	Active/COBRA*	Single	
		Family	
Non-Medicare Retirees			
Grandfathered Plan			
July 1, 2019 - June 30, 2021	Non-Medicare Retirees	Single	
		Family	

North Dakota Public Employees Retirement System
Request for Proposals - Health Plan Administrator

SELF - INSURED MEDICAL

D2.2 Trend Assumptions

YOUR COMPANY NAME: Bidder Name

- **TRENDS SHOULD REFLECT EXPECTED NORMAL HEALTH STATUS DETERIORATION, INCREASES IN COST PER SERVICE AND UTILIZATION, AND TECHNOLOGY ADVANCES**
- **INCLUDE ASSUMED TREND COMPONENTS FOR THE PROECTED COVERAGE PERIOD BEGINNING 7/1/21**

PUBLIC SECTOR **Time Period**

Category	Cost	Utilization	Combined (Cost*Utilization)	Weighted Trend
Hospital Inpatient				
Hospital Outpatient				
Other Facility				
Physician Services				
Other Professional Services				
Other				
			OVERALL TREND	

COMMERICAL **Time Period**

Category	Cost	Utilization	Combined (Cost*Utilization)	Weighted Trend
Hospital Inpatient				
Hospital Outpatient				
Other Facility				
Physician Services				
Other Professional Services				
Other				
			OVERALL TREND	

COMMENTS:
Describe any special circumstances which have caused the trends to be unusually high or low.

North Dakota Public Employees Retirement System
Request for Proposals - Health Plan Administrator
SELF - INSURED MEDICAL
D2.3 Medical Administrative Fees

YOUR COMPANY NAME: Bidder Name

Please complete the table below.
If service is not provided, enter "Not Provided". If service is included but reflected in Plan Administration fee, enter "Included".
Multi-year flat rate fees will be given preference over escalating fees

ADMINISTRATION AND RETENTION

Service Fees	7/1/2021 - 6/30/2022	7/1/2022 - 6/30/2023
	Fee (Must be Quoted on a Per Employee Per Month (PEPM) Basis)	
Base Operations Fees		
Base Plan Administration Fee. Must include: > Claims Processing > Network Access > HIPAA Administration > Customer Service > Account Management > Eligibility Management > Standard Banking Management > Standard Employee Communications > ID Card Production > Standard Reporting Packages > Assistance with SPD/SBC/SMM > Performance Guarantee Tracking and Reconciliation		
Claim Fiduciary Liability Fee (full)		
Value Based Contract (VBC) or Accountable Care Organization (ACO) Payment Fees		
Claims File Feed Fees (receiving or transmitting claims files with a third party)		
Other Base Operational Fees (please insert rows, if applicable)		
NDPERS Current Programs		
About the Patient Program		
Tobacco Cessation Program		
Wellness Benefit Program		
Carve Out Fees		
Pharmacy Benefit Management Carve Out Fee (if applicable)		
Stop Loss Fee if Pharmacy Benefit Management is Carved Out (if applicable)		
Other Carve Out Fees (please insert rows, if applicable)		
Additional Program Fees		
Buy-Up Customer Service Model Fees (e.g. "Concierge" model)		
Utilization Review Fees		
Disease Management Program Fees		
Maternity Management Program Fees		
Telemedicine (please specify if cost basis is "PEPM" or "per claim")		
Nurseline Fees		
Other Additional Program Fees (please insert rows, if applicable)		
Additional Services Fees		
Online Reporting Portal Access		
Custom Reporting Fees		
Additional Member ID Cards (after initial distribution)		
Other Additional Service Fees (please insert rows, if applicable)		
TOTAL		

Implementation allowance/credit		

COMMENTS:
Describe how clients are charged for Value Based Contract Payment Fees and/or Accountable Care Organization Fees. Explain if clients will be charged on a PEPM basis or if the fees will be billed as a claim charge. Please estimate the annual charges based on the data provided.

List Utilization Review Services to be provided and included in the administrative fee above.

List Disease Management Programs to be provided and included in the administrative fee above.

List any additional fees not included above that NDPERS may be responsible for.

Appendix D2.4

North Dakota Public Employees Retirement System
Request for Proposals - Health Plan Administrator

SELF - INSURED MEDICAL

D2.4 CPT Reimbursement

Zip codes and CPT codes to be finalized with data collected from Sanford prior to the distribution of the RFP. Zip codes will represent 90%+ of utilization.

YOUR COMPANY NAME: Bidder Name

Instructions:
Please complete the table below with your average non-facility reimbursement levels for all physicians ("allowed" amount) in each of the zip codes indicated.
Non-modified, non-facility rates should be used
3-digit Zip Code should represent the physical location of the clinics being reported on

			Three-digit zip codes									
#	CPT/HCPCS Code	Description	585	581	582	587	584	586	583	580	588	567
1	99214	OFFICE/OUTPATIENT VISIT EST	$	$	$	$	$	$	$	$	$	$
2	99213	OFFICE/OUTPATIENT VISIT EST	$	$	$	$	$	$	$	$	$	$
3	99203	OFFICE/OUTPATIENT VISIT NEW	$	$	$	$	$	$	$	$	$	$
4	99285	EMERGENCY DEPT VISIT	$	$	$	$	$	$	$	$	$	$
5	99396	PREV VISIT EST AGE 40-64	$	$	$	$	$	$	$	$	$	$
6	97110	THERAPEUTIC EXERCISES	$	$	$	$	$	$	$	$	$	$
7	99204	OFFICE/OUTPATIENT VISIT NEW	$	$	$	$	$	$	$	$	$	$
8	90837	PSYTX W PT 60 MINUTES	$	$	$	$	$	$	$	$	$	$
9	90834	PSYTX W PT 45 MINUTES	$	$	$	$	$	$	$	$	$	$
10	99284	EMERGENCY DEPT VISIT	$	$	$	$	$	$	$	$	$	$
11	59400	OBSTETRICAL CARE	$	$	$	$	$	$	$	$	$	$
12	88305	TISSUE EXAM BY PATHOLOGIST	$	$	$	$	$	$	$	$	$	$
13	J1745	INJ INFLIXIMAB EXCL BIOSIMILR 10 MG	$	$	$	$	$	$	$	$	$	$
14	99215	OFFICE/OUTPATIENT VISIT EST	$	$	$	$	$	$	$	$	$	$
15	99395	PREV VISIT EST AGE 18-39	$	$	$	$	$	$	$	$	$	$
16	97140	MANUAL THERAPY 1/> REGIONS	$	$	$	$	$	$	$	$	$	$
17	98941	CHIROPRACT MANJ 3-4 REGIONS	$	$	$	$	$	$	$	$	$	$
18	99244	OFFICE CONSULTATION	$	$	$	$	$	$	$	$	$	$
19	59510	CESAREAN DELIVERY	$	$	$	$	$	$	$	$	$	$
20	99232	SUBSEQUENT HOSPITAL CARE	$	$	$	$	$	$	$	$	$	$
21	99283	EMERGENCY DEPT VISIT	$	$	$	$	$	$	$	$	$	$
22	99212	OFFICE/OUTPATIENT VISIT EST	$	$	$	$	$	$	$	$	$	$
23	93306	TTE W/DOPPLER COMPLETE	$	$	$	$	$	$	$	$	$	$
24	99233	SUBSEQUENT HOSPITAL CARE	$	$	$	$	$	$	$	$	$	$
25	97530	THERAPEUTIC ACTIVITIES	$	$	$	$	$	$	$	$	$	$
26	90670	PCV13 VACCINE IM	$	$	$	$	$	$	$	$	$	$
27	99392	PREV VISIT EST AGE 1-4	$	$	$	$	$	$	$	$	$	$
28	99202	OFFICE/OUTPATIENT VISIT NEW	$	$	$	$	$	$	$	$	$	$
29	45380	COLONOSCOPY AND BIOPSY	$	$	$	$	$	$	$	$	$	$
30	90460	IM ADMIN 1ST/ONLY COMPONENT	$	$	$	$	$	$	$	$	$	$
31	99393	PREV VISIT EST AGE 5-11	$	$	$	$	$	$	$	$	$	$
32	74177	CT ABD & PELV W/CONTRAST	$	$	$	$	$	$	$	$	$	$
33	99205	OFFICE/OUTPATIENT VISIT NEW	$	$	$	$	$	$	$	$	$	$
34	99291	CRITICAL CARE FIRST HOUR	$	$	$	$	$	$	$	$	$	$
35	J2505	INJECTION PEGFILGRASTIM 6 MG	$	$	$	$	$	$	$	$	$	$
36	99394	PREV VISIT EST AGE 12-17	$	$	$	$	$	$	$	$	$	$
37	45385	COLONOSCOPY W/LESION REMOVAL	$	$	$	$	$	$	$	$	$	$
38	99243	OFFICE CONSULTATION	$	$	$	$	$	$	$	$	$	$
39	95165	ANTIGEN THERAPY SERVICES	$	$	$	$	$	$	$	$	$	$
40	99391	PER PM REEVAL EST PAT INFANT	$	$	$	$	$	$	$	$	$	$
41	73721	MRI JNT OF LWR EXTRE W/O DYE	$	$	$	$	$	$	$	$	$	$
42	99223	INITIAL HOSPITAL CARE	$	$	$	$	$	$	$	$	$	$
43	90651	9VHPV VACCINE 2/3 DOSE IM	$	$	$	$	$	$	$	$	$	$
44	97112	NEUROMUSCULAR REEDUCATION	$	$	$	$	$	$	$	$	$	$
45	S9083	GLOBAL FEE URGENT CARE CENTERS	$	$	$	$	$	$	$	$	$	$
46	90471	IMMUNIZATION ADMIN	$	$	$	$	$	$	$	$	$	$
47	76830	TRANSVAGINAL US NON-OB	$	$	$	$	$	$	$	$	$	$
48	92014	EYE EXAM&TX ESTAB PT 1/>VST	$	$	$	$	$	$	$	$	$	$
49	70553	MRI BRAIN STEM W/O & W/DYE	$	$	$	$	$	$	$	$	$	$
50	J9355	INJ TRASTUZUMAB EXCLD BIOSIM 10 MG	$	$	$	$	$	$	$	$	$	$
51	77067	SCR MAMMO BI INCL CAD	$	$	$	$	$	$	$	$	$	$
52	45378	DIAGNOSTIC COLONOSCOPY	$	$	$	$	$	$	$	$	$	$
53	80050	GENERAL HEALTH PANEL	$	$	$	$	$	$	$	$	$	$
54	80061	LIPID PANEL	$	$	$	$	$	$	$	$	$	$
55	27447	TOTAL KNEE ARTHROPLASTY	$	$	$	$	$	$	$	$	$	$
56	43239	EGD BIOPSY SINGLE/MULTIPLE	$	$	$	$	$	$	$	$	$	$
57	99385	PREV VISIT NEW AGE 18-39	$	$	$	$	$	$	$	$	$	$
58	99222	INITIAL HOSPITAL CARE	$	$	$	$	$	$	$	$	$	$
59	96372	THER/PROPH/DIAG INJ SC/IM	$	$	$	$	$	$	$	$	$	$
60	72148	MRI LUMBAR SPINE W/O DYE	$	$	$	$	$	$	$	$	$	$
61	99386	PREV VISIT NEW AGE 40-64	$	$	$	$	$	$	$	$	$	$
62	80307	DRUG TEST PRSMV CHEM ANLYZR	$	$	$	$	$	$	$	$	$	$
63	G0483	DR TST DEFIN DR ID M P D 22/M DR CL	$	$	$	$	$	$	$	$	$	$
64	90791	PSYCH DIAGNOSTIC EVALUATION	$	$	$	$	$	$	$	$	$	$
65	98940	CHIROPRACT MANJ 1-2 REGIONS	$	$	$	$	$	$	$	$	$	$
66	82306	VITAMIN D 25 HYDROXY	$	$	$	$	$	$	$	$	$	$
67	17110	DESTRUCT B9 LESION 1-14	$	$	$	$	$	$	$	$	$	$
68	95004	PERCUT ALLERGY SKIN TESTS	$	$	$	$	$	$	$	$	$	$
69	E0601	CONTINUOUS POS AIRWAY PRESSURE DEVC	$	$	$	$	$	$	$	$	$	$
70	J7298	LNG-RLS INTRAUTERINE COC SYS 52 MG	$	$	$	$	$	$	$	$	$	$
71	66984	CATARACT SURG W/IOL 1 STAGE	$	$	$	$	$	$	$	$	$	$
72	20610	DRAIN/INJ JOINT/BURSA W/O US	$	$	$	$	$	$	$	$	$	$
73	78452	HT MUSCLE IMAGE SPECT MULT	$	$	$	$	$	$	$	$	$	$
74	96413	CHEMO IV INFUSION 1 HR	$	$	$	$	$	$	$	$	$	$
75	J9035	INJECTION BEVACIZUMAB 10 MG	$	$	$	$	$	$	$	$	$	$
76	J2323	INJECTION NATALIZUMAB 1 MG	$	$	$	$	$	$	$	$	$	$
77	J0585	BOTULINUM TOXIN TYPE A PER UNIT	$	$	$	$	$	$	$	$	$	$
78	A9276	SENSOR; INVSV INTRSTL GLU MON SYS	$	$	$	$	$	$	$	$	$	$
79	99245	OFFICE CONSULTATION	$	$	$	$	$	$	$	$	$	$
80	92507	SPEECH/HEARING THERAPY	$	$	$	$	$	$	$	$	$	$
81	80053	COMPREHEN METABOLIC PANEL	$	$	$	$	$	$	$	$	$	$
82	J3380	INJECTION VEDOLIZUMAB 1 MG	$	$	$	$	$	$	$	$	$	$
83	99469	NEONATE CRIT CARE SUBSQ	$	$	$	$	$	$	$	$	$	$
84	93000	ELECTROCARDIOGRAM COMPLETE	$	$	$	$	$	$	$	$	$	$
85	J1569	INJ IG GAMMAGARD IV NONLYO 500 MG	$	$	$	$	$	$	$	$	$	$
86	27130	TOTAL HIP ARTHROPLASTY	$	$	$	$	$	$	$	$	$	$
87	47562	LAPAROSCOPIC CHOLECYSTECTOMY	$	$	$	$	$	$	$	$	$	$
88	90734	MENACWYD/MENACWYCRM VACC IM	$	$	$	$	$	$	$	$	$	$
89	22551	NECK SPINE FUSE&REMOV BEL C2	$	$	$	$	$	$	$	$	$	$
90	74176	CT ABD & PELVIS W/O CONTRAST	$	$	$	$	$	$	$	$	$	$
91	J1561	INJ IG NONLYOPHILIZED 500 MG	$	$	$	$	$	$	$	$	$	$
92	73221	MRI JOINT UPR EXTREM W/O DYE	$	$	$	$	$	$	$	$	$	$
93	84443	ASSAY THYROID STIM HORMONE	$	$	$	$	$	$	$	$	$	$
94	99472	PED CRITICAL CARE SUBSQ	$	$	$	$	$	$	$	$	$	$
95	J0178	INJECTION AFLIBERCEPT 1 MG	$	$	$	$	$	$	$	$	$	$
96	72141	MRI NECK SPINE W/O DYE	$	$	$	$	$	$	$	$	$	$
97	31231	NASAL ENDOSCOPY DX	$	$	$	$	$	$	$	$	$	$
98	92004	EYE EXAM NEW PATIENT	$	$	$	$	$	$	$	$	$	$
99	85025	COMPLETE CBC W/AUTO DIFF WBC	$	$	$	$	$	$	$	$	$	$
100	43775	LAP SLEEVE GASTRECTOMY	$	$	$	$	$	$	$	$	$	$

North Dakota Public Employees Retirement System
Request for Proposals - Health Plan Administrator

SELF - INSURED MEDICAL

D2.5 Average Facility Reimbursement

Zip codes and CPT codes to be finalized with data collected from Sanford prior to the distribution of the RFP. Zip codes will represent 90%+ of utilization.

YOUR COMPANY NAME: Bidder Name

Instructions:
Please complete the table below with your 2019 average network inpatient and outpatient

3-digit Zip Code should represent the physical location of the facilities being reported on

Inpatient

	Three-digit zip codes									
Average Discount off charges	585	581	582	587	584	586	583	580	588	567
	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

Outpatient

	Three-digit zip codes									
Average Discount off charges	585	581	582	587	584	586	583	580	588	567
	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

North Dakota Public Employees Retirement System
Request for Proposals - Health Plan Administrator

SELF - INSURED MEDICAL

D2.6 Weighted Facility Reimbursement

YOUR COMPANY NAME: **Bidder Name**

Instructions:

Please complete the file, "[Hospital Discount Tool.xls]", with your 2019 average network inpatient and outpatient facility "discount off billed charges" for the facilities listed. Follow the instructions in the file to produce the average Inpatient and Outpatient weighted discount to enter below.

Average Inpatient Discount	0.0%

Average Outpatient Discount	0.0%

Appendix D2.7

North Dakota Public Employees Retirement System
Request for Proposals - Health Plan Administrator
SELF - INSURED MEDICAL
D2.7 Network & Trend Guarantees

YOUR COMPANY NAME: **Bidder Name**

Please provide an overall in-network discount guarantee and, separately, a claims trend guarantee.

Overall In-Network Discount Guarantee	
"Risk Free Cooridor" before Penalty is Assessed	
Will Large Claims be Excluded? (Yes/No)	
How are large claims defined for exclusion?	
Total Dollars at Risk	

Overall In-Network Discount Guarantee Assumptions:

Overall Medical Trend Guarantee	
"Risk Free Cooridor" before Penalty is Assessed	
Will Large Claims be Excluded? (Yes/No)	
How are large claims defined for exclusion?	
Total Dollars at Risk	

Overall Medical Trend Guarantee Assumptions:

Appendix D3

North Dakota Public Employees Retirement System
Request for Proposals - Health Plan Administrator
SELF INSURED PRESCRIPTION DRUG

Proposers are required to complete the questions and cost proposal exhibits provided in this section if proposing on a self-insured basis. As described in Section IV., Proposal Submission, of this RFP, cost proposal exhibits must be submitted to Deloitte Consulting only. The exhibits must be submitted in the prescribed format. Vendors may provide supplemental information but may not deviate from utilizing the provided Excel worksheets. Refer to Section IV. Proposal Submission for details. Instructions are outlined in the RFP and with each of the required exhibits (tabs).

The cost proposal consists of the following components and related exhibits:

D3.1 Integrated Medical & Pharmacy - Prescription Drug Pricing
D3.2 Carve-Out Pharmacy - Prescription Drug Pricing
D3.3 Specialty Drug Pricing

Appendix D3.1

North Dakota Public Employees Retirement System
Request for Proposals - Health Plan Administrator
SELF INSURED PRESCRIPTION DRUG
D3.1 Integrated Medical & Pharmacy - Prescription Drug Pricing

Please complete this tab if you are proposing to administer the pharmacy benefit and the medical benefit on an integrated basis

YOUR COMPANY NAME: Bidder Name

CONFIRM THAT YOUR SELF-INSURED PROPOSAL WILL COMPLY WITH NORTH DAKOTA CENTURY CODE CHAPTER 54-52.1-04.16	
	Answer: Yes or No

Traditional "Spread" Pricing Proposal

I. Guaranteed Ingredient Discounts	Year 1	Year 2
30 Day Retail		
Brand (AWP - %)		
Generic (MAC & Non MAC - %)		
90 Day Retail		
Brand (AWP - %)		
Generic (MAC & Non MAC - %)		
Mail Order		
Brand (AWP - %)		
Generic (MAC & Non MAC - %)		
Open Specialty (Retail & Mail)		
Guaranteed Overall Effective Discount		
Exclusive Specialty (Proposer Specialty Only)		
Guaranteed Overall Effective Discount		
Limited Distribution Drugs		
Guaranteed Overall Effective Discount		

II. Guaranteed Dispensing Fees (Per Paid Script)	Year 1	Year 2
30 Day Retail		
Brand		
Generic		
90 Day Retail		
Brand		
Generic		
Mail Order		
Brand		
Generic		
Open Specialty (Retail & Mail)		
Guaranteed Overall Effective Discount		
Exclusive Specialty (Proposer Specialty Only)		
Guaranteed Overall Effective Discount		
Limited Distribution Drugs		
Guaranteed Overall Effective Discount		

III. Administrative Fees (Select one)	Year 1	Year 2
Per Employee Per Month (PEPM)		
Per Memer Per Month (PMPM)		
Per Prescription		

IV. Guaranteed Minimum Manufacturer Derived Revenue	Year 1	Year 2
30 Day Retail		
Per Brand Script		
Estimated Annual Manufacturer Revenue Earned (Total)		
90 Day Retail		
Per Brand Script		
Estimated Annual Manufacturer Revenue Earned (Total)		
Mail Order		
Per Brand Script		
Estimated Annual Manufacturer Revenue Earned (Total)		
Open Specialty (Retail & Mail)		
Per Brand Script		
Estimated Annual Manufacturer Revenue Earned (Total)		
Exclusive Specialty (Proposer Specialty Only)		
Per Brand Script		
Estimated Annual Manufacturer Revenue Earned (Total)		
Limited Distribution Drugs		
Per Brand Script		
Estimated Annual Manufacturer Revenue Earned (Total)		

V. NDPERS Programs	Year 1	Year 2
About the Patient		
Tobacco Cessation		
Wellness Benefit Program		

VI. Other Fees	Year 1	Year 2
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 histories, open mail order refills, accumulator file intake fees (to accept from incumbent during implementation)		
Electronic prescribing (per claim basis)		
Administrative Prior Authorization (per PA basis)		
Clinical Prior Authorization (per PA basis)		
Online Reporting Platform Access (per user basis)		
Custom Reporting Programming (per hour basis)		

Pass-Through Pricing Proposal

I. Guaranteed Ingredient Discounts	Year 1	Year 2
30 Day Retail		
Brand (AWP - %)		
Generic (MAC & Non MAC - %)		
90 Day Retail		
Brand (AWP - %)		
Generic (MAC & Non MAC - %)		
Mail Order		
Brand (AWP - %)		
Generic (MAC & Non MAC - %)		
Open Specialty (Retail & Mail)		
Guaranteed Overall Effective Discount		
Exclusive Specialty (Proposer Specialty Only)		
Guaranteed Overall Effective Discount		
Limited Distribution Drugs		
Guaranteed Overall Effective Discount		

II. Guaranteed Dispensing Fees (Per Paid Script)	Year 1	Year 2
30 Day Retail		
Brand		
Generic		
90 Day Retail		
Brand		
Generic		
Mail Order		
Brand		
Generic		
Open Specialty (Retail & Mail)		
Guaranteed Overall Effective Discount		
Exclusive Specialty (Proposer Specialty Only)		
Guaranteed Overall Effective Discount		
Limited Distribution Drugs		
Guaranteed Overall Effective Discount		

III. Administrative Fees (Select one)	Year 1	Year 2
Per Employee Per Month (PEPM)		
Per Memer Per Month (PMPM)		
Per Prescription		

IV. Guaranteed Minimum Manufacturer Derived Revenue	Year 1	Year 2
30 Day Retail		
Per Brand Script		
Estimated Annual Manufacturer Revenue Earned (Total)		
90 Day Retail		
Per Brand Script		
Estimated Annual Manufacturer Revenue Earned (Total)		
Mail Order		
Per Brand Script		
Estimated Annual Manufacturer Revenue Earned (Total)		
Open Specialty (Retail & Mail)		
Per Brand Script		
Estimated Annual Manufacturer Revenue Earned (Total)		
Exclusive Specialty (Proposer Specialty Only)		
Per Brand Script		
Estimated Annual Manufacturer Revenue Earned (Total)		
Limited Distribution Drugs		
Per Brand Script		
Estimated Annual Manufacturer Revenue Earned (Total)		

V. NDPERS Programs	Year 1	Year 2
About the Patient		
Tobacco Cessation		
Wellness Benefit Program		

VI. Other Fees	Year 1	Year 2
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 histories, open mail order refills, accumulator file intake fees (to accept from incumbent during implementation)		
Electronic prescribing (per claim basis)		
Administrative Prior Authorization (per PA basis)		
Clinical Prior Authorization (per PA basis)		
Online Reporting Platform Access (per user basis)		
Custom Reporting Programming (per hour basis)		

Appendix D3.2

North Dakota Public Employees Retirement System
Request for Proposals - Health Plan Administrator
SELF INSURED PRESCRIPTION DRUG
D3.2 Carve-Out Pharmacy - Prescription Drug Pricing

Please complete this tab if you are proposing to administer the pharmacy benefit and the medical benefit on a carve-out basis

YOUR COMPANY NAME: Bidder Name

CONFIRM THAT YOUR SELF-INSURED PROPOSAL WILL COMPLY WITH NORTH DAKOTA CENTURY CODE CHAPTER 54-52.1-04.16	
	Answer: Yes or No

Traditional "Spread" Pricing Proposal

I. Guaranteed Ingredient Discounts	Year 1	Year 2
30 Day Retail		
Brand (AWP - %)		
Generic (MAC & Non MAC - %)		
90 Day Retail		
Brand (AWP - %)		
Generic (MAC & Non MAC - %)		
Mail Order		
Brand (AWP - %)		
Generic (MAC & Non MAC - %)		
Open Specialty (Retail & Mail)		
Guaranteed Overall Effective Discount		
Exclusive Specialty (Proposer Specialty Only)		
Guaranteed Overall Effective Discount		
Limited Distribution Drugs		
Guaranteed Overall Effective Discount		

II. Guaranteed Dispensing Fees (Per Paid Script)	Year 1	Year 2
30 Day Retail		
Brand		
Generic		
90 Day Retail		
Brand		
Generic		
Mail Order		
Brand		
Generic		
Open Specialty (Retail & Mail)		
Guaranteed Overall Effective Discount		
Exclusive Specialty (Proposer Specialty Only)		
Guaranteed Overall Effective Discount		
Limited Distribution Drugs		
Guaranteed Overall Effective Discount		

III. Administrative Fees (Select one)	Year 1	Year 2
Per Employee Per Month (PEPM)		
Per Memer Per Month (PMPM)		
Per Prescription		

IV. Guaranteed Minimum Manufacturer Derived Revenue	Year 1	Year 2
30 Day Retail		
Per Brand Script		
Estimated Annual Manufacturer Revenue Earned (Total)		
90 Day Retail		
Per Brand Script		
Estimated Annual Manufacturer Revenue Earned (Total)		
Mail Order		
Per Brand Script		
Estimated Annual Manufacturer Revenue Earned (Total)		
Open Specialty (Retail & Mail)		
Per Brand Script		
Estimated Annual Manufacturer Revenue Earned (Total)		
Exclusive Specialty (Proposer Specialty Only)		
Per Brand Script		
Estimated Annual Manufacturer Revenue Earned (Total)		
Limited Distribution Drugs		
Per Brand Script		
Estimated Annual Manufacturer Revenue Earned (Total)		

V. NDPERS Programs	Year 1	Year 2
About the Patient		
Tobacco Cessation		
Wellness Benefit Program		

VI. Other Fees	Year 1	Year 2
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 histories, open mail order refills, accumulator file intake fees (to accept from incumbent during implementation)		
Electronic prescribing (per claim basis)		
Administrative Prior Authorization (per PA basis)		
Clinical Prior Authorization (per PA basis)		
Online Reporting Platform Access (per user basis)		
Custom Reporting Programming (per hour basis)		

Pass-Through Pricing Proposal

I. Guaranteed Ingredient Discounts	Year 1	Year 2
30 Day Retail		
Brand (AWP - %)		
Generic (MAC & Non MAC - %)		
90 Day Retail		
Brand (AWP - %)		
Generic (MAC & Non MAC - %)		
Mail Order		
Brand (AWP - %)		
Generic (MAC & Non MAC - %)		
Open Specialty (Retail & Mail)		
Guaranteed Overall Effective Discount		
Exclusive Specialty (Proposer Specialty Only)		
Guaranteed Overall Effective Discount		
Limited Distribution Drugs		
Guaranteed Overall Effective Discount		

II. Guaranteed Dispensing Fees (Per Paid Script)	Year 1	Year 2
30 Day Retail		
Brand		
Generic		
90 Day Retail		
Brand		
Generic		
Mail Order		
Brand		
Generic		
Open Specialty (Retail & Mail)		
Guaranteed Overall Effective Discount		
Exclusive Specialty (Proposer Specialty Only)		
Guaranteed Overall Effective Discount		
Limited Distribution Drugs		
Guaranteed Overall Effective Discount		

III. Administrative Fees (Select one)	Year 1	Year 2
Per Employee Per Month (PEPM)		
Per Memer Per Month (PMPM)		
Per Prescription		

IV. Guaranteed Minimum Manufacturer Derived Revenue	Year 1	Year 2
30 Day Retail		
Per Brand Script		
Estimated Annual Manufacturer Revenue Earned (Total)		
90 Day Retail		
Per Brand Script		
Estimated Annual Manufacturer Revenue Earned (Total)		
Mail Order		
Per Brand Script		
Estimated Annual Manufacturer Revenue Earned (Total)		
Open Specialty (Retail & Mail)		
Per Brand Script		
Estimated Annual Manufacturer Revenue Earned (Total)		
Exclusive Specialty (Proposer Specialty Only)		
Per Brand Script		
Estimated Annual Manufacturer Revenue Earned (Total)		
Limited Distribution Drugs		
Per Brand Script		
Estimated Annual Manufacturer Revenue Earned (Total)		

V. NDPERS Programs	Year 1	Year 2
About the Patient		
Tobacco Cessation		
Wellness Benefit Program		

VI. Other Fees	Year 1	Year 2
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 histories, open mail order refills, accumulator file intake fees (to accept from incumbent during implementation)		
Electronic prescribing (per claim basis)		
Administrative Prior Authorization (per PA basis)		
Clinical Prior Authorization (per PA basis)		
Online Reporting Platform Access (per user basis)		
Custom Reporting Programming (per hour basis)		

Appendix D3.3

North Dakota Public Employees Retirement System
Request for Proposals - Health Plan Administrator
SELF INSURED PRESCRIPTION DRUG
D3.3 Specialty Drug Pricing

YOUR COMPANY NAME: **Bidder Name**

Please provide your proposed specialty drug list with pricing and LDD indicators
If you are offering both a "spread" and a "pass-through" arrangement, please duplicate this tab and complete it for both offers and label accordingly

						Open Specialty		Exclusive Specialty	
NDC	Drug Name	Indication / Therapeutic Class	GPI	Limited Distribution Drug (Yes / No)	If Limited Distribution Drug, is your company an authorized distributor?	Minimum Guaranteed Discount	Maximum Guaranteed Dispensing Fee	Minimum Guaranteed Discount	Maximum Guaranteed Dispensing Fee

Appendix D3.4

North Dakota Public Employees Retirement System
Request for Proposals - Health Plan Administrator
SELF INSURED PRESCRIPTION DRUG
D3.4 Repricing & Cost Projection

This exhibit will depend on the data received from Sanford

YOUR COMPANY NAME: **Bidder Name**

If you are offering both a "spread" and a "pass-through" arrangement, please duplicate this tab and complete it for both offers and label accordingly

Claims Re-Price for **CLAIMS PERIOD**

Claims Period Re-Price	Prescription Count	AWP	Ingredient Cost	Dispensing Fees	Rebates	Administration Fees	Total
30 Day Retail							
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	$ -	$ -	$ -	$ -	$ -	$ -

Plan cost estimate for **year 1**
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

Year 1	Prescription Count	AWP	Ingredient Cost	Dispensing Fees	Rebates	Administration Fees	Total Cost
30 Day Retail							
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	$ -	$ -	$ -	$ -	$ -	$ -

Year 2	Prescription Count	AWP	Ingredient Cost	Dispensing Fees	Rebates	Administration Fees	Total Cost
30 Day Retail							
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	$ -	$ -	$ -	$ -	$ -	$ -

Appendix D4.1

North Dakota Public Employees Retirement System
Request for Proposals - Health Plan Administrator
STOP LOSS

Proposers are required to complete the questions and cost proposal exhibits provided in this section if proposing for stop loss. As described in Section IV., Proposal Submission, of this RFP, cost proposal exhibits must be submitted to Deloitte Consulting only. The exhibits must be submitted in the prescribed format. Vendors may provide supplemental information but may not deviate from utilizing the provided Excel worksheets. Refer to Section IV. Proposal Submission for details. Instructions are outlined in the RFP and with each of the required exhibits (tabs).

The stop loss proposal consists of the following components and related exhibits:

Stop Loss (D4.1)

Appendix E1

North Dakota Public Employees Retirement System
Request for Proposals - Health Plan Administrator

SELF - INSURED MEDICAL & PRESCRIPTION DRUG

D2.4 Stop Loss

This coverage is fully-insured

YOUR COMPANY NAME: Bidder Name

NDPERS would like vendors to quote assuming two separate annual stop loss contracts of 12/24. However, the premium rates will need to be the same over the two year biennium.

- **QUOTE THE THREE SPECIFIC DEDUCTIBLE LEVELS SHOWN**
- **CONTRACT BASIS: 12/24 WITH THE SAME PREMIUM RATES FOR BOTH YEARS**
- **MUST QUOTE UNLIMITED LIFETIME MAXIMUM**
- **MUST NOT INCLUDE LASERS**
- **FOR PRESCRIPTION DRUG ONLY, INDIVIDUAL AND/OR AGGREGATE STOP LOSS MAY BE QUOTED**

Two Year Premium Rates PEPM				
Individual Stop Loss Deductible	$500,000	$1,000,000	$1,500,000	$2,000,000
Medical & Prescription Drug *(Prescription Drug is integrated with Medical)*	$	$	$	$

North Dakota Public Employees Retirement System

Request for Proposals - Health Plan Administrator

MEDICAL NETWORK ACCESS

Appendix E1

Proposers are required to complete the exhibits provided in this section if proposing on medical. The exhibits must be submitted in the prescribed format. Vendors may provide supplemental information but may not deviate from utilizing the provided Excel worksheets. Refer to Section IV. Proposal Submission for details. Instructions are outlined in the RFP and with each of the required exhibits (tabs).

The Network Access consists of the following components and related exhibits:

- E1.1 Medical Network Facility Match
- E1.2 Medical Network Professional Provider Match
- E1.3 Geo-Access

Appendix E1.1

North Dakota Public Employees Retirement System
Request for Proposals - Health Plan Administrator

MEDICAL

To be updated with 2019 data before RFP is distributed

E1.1 Medical Network Facility Match

YOUR COMPANY NAME: **Bidder Name**

Please indicate if the provider is in your proposed network (Y or N for Yes or No).
Please include the name of your proposed network in the field indicated.
If you are providing an alternative network option, please complete the "Alternative Network" column
If your network is Tiered, or clients have the option to Tier the network, please indicate which Tier each provider participates in

Network Name:

Provider TIN	Provider Name	Provider Type	Provider Address	Provider City	Provider State	Provider Zip	# of Claims	# of Visits	# of Unique Members	Paid Claims	PPO Network (Y/N)	Comments
450310462	ALTRU HEALTH SYSTEM, DBA		1200 S COLUMBIA RD	GRAND FORKS	ND	58201						
450226909	SANFORD MEDICAL CENTER F		801 BROADWAY NORTH	FARGO	ND	58122						
450226700	SANFORD MEDICAL CENTER		300 N 7TH ST	BISMARCK	ND	58501						
412002771	TRINITY HOSPITALS		1 BURDICK EXPRESSWAY	MINOT	ND	58701						
450226711	ST ALEXIUS MEDICAL CTR		900 E BROADWAY	BISMARCK	ND	58501						
261175213	ESSENTIA HEALTH FARGO		3000 32ND AVENUE SOUTH	FARGO	ND	58103						
450226662	FARGO VAMC		2101 ELM ST	FARGO	ND	58102						
450231181	LUTHERAN CHARITY ASSOCIA		2422 20TH ST SW	JAMESTOWN	ND	58401						
450226429	ST JOSEPHS HOSPITAL		30 7TH ST W	DICKINSON	ND	58601						
450231183	MERCY HOSPITAL		1301 15TH AVE W	WILLISTON	ND	58801						

Appendix E1.2

North Dakota Public Employees Retirement System
Request for Proposals - Health Plan Administrator

MEDICAL

E1.2 Medical Network Professional Provider Match

To be updated with 2019 data before RFP is distributed

YOUR COMPANY NAME: **Bidder Name**

Please indicate if the provider is in your proposed network (Y or N for Yes or No).
Please include the name of your proposed network in the field indicated.
If you are providing an alternative network option, please complete the "Alternative Network" column
If your network is Tiered, or clients have the option to Tier the network, please indicate which Tier each provider participates in

Network Name:

Provider TIN	Provider Name	Provider Type	Provider Address	Provider City	Provider State	Provider Zip	# of Claims	# of Visits	# of Unique Members	Paid Claims	PPO Network (Y/N)	Comments
450311334		Clinic	401 N 9TH ST	BISMARCK	ND	58501						
450450254		Clinic	600 N 9TH ST	BISMARCK	ND	58501						
450311334		Oncology	401 N 9TH ST	BISMARCK	ND	58501						
450226700		Pathology, Anatomy, Clinical Pathology	222 N 7TH ST	BISMARCK	ND	58501						
450311334		Radiology	401 N 9TH ST	BISMARCK	ND	58501						
999509846		Pharmacy	4510 13TH AVE SW	FARGO	ND	58121						

Appendix E1.3

North Dakota Public Employees Retirement System
Request for Proposals - Health Plan Administrator

MEDICAL

E1.3 Geo-Access

YOUR COMPANY NAME: Vendor Name

Instructions

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 network serves and in which participants reside. In addition, you should include only open practices in your analysis.
Please summarize the results of your analysis in the table below.

Provider Category	Access Standard
Primary care providers (1)	2 in 30 miles
Pediatricians	2 in 30 miles
OB/GYNs	2 in 30 miles
Mental Health providers	2 in 30 miles
Other Specialists	2 in 30 miles
Hospitals	1 in 50 miles

(1) Primary care providers should include family/general practice and internal medicine

		Employees Within Access Standard					Employees Outside of Access Standard				
			Average Distance in Miles to:					Average Distance in Miles to:			
Provider Category	# of Employees	# of Employees with Access	1 Provider	2 Providers	3 Providers	4 Providers	# of Employees without Access	1 Provider	2 Providers	3 Providers	4 Providers
Primary care providers (1)											
Pediatricians											
OB/GYNs											
Mental Health providers											
Other Specialists											
Hospitals											

Appendix E2

North Dakota Public Employees Retirement System

Request for Proposals - Health Plan Administrator

PRESCRIPTION DRUG

Proposers are required to complete the exhibits provided in this section if proposing on self-insured prescription drug. The exhibits must be submitted in the prescribed format. Vendors may provide supplemental information but may not deviate from utilizing the provided Excel worksheets. Refer to Section IV. Proposal Submission for details. Instructions are outlined in the RFP and with each of the required exhibits (tabs).

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

- E2.1 Network Match
- E2.2 Geo-Access
- E2.3 Formulary Match

Appendix E2.1

North Dakota Public Employees Retirement System
Request for Proposals - Health Plan Administrator
PRESCRIPTION DRUG
E2.1 Network Match

To be updated with 2019 data before RFP is distributed

YOUR COMPANY NAME: **Bidder 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)

Pharmacy ID	Pharmacy Name	Pharmacy City	Pharmacy State	Pharmacy Zip	In Network (Y/N)	Notes (Closed, Mail, etc.)	
							<---to be filled in by Deloitte when data is received

Appendix E2.2

North Dakota Public Employees Retirement System
Request for Proposals - Health Plan Administrator

MEDICAL

E2.2 Geo-Access

YOUR COMPANY NAME: **Bidder Name**

Instructions

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

		Employees Within Access Standard				Employees Outside of Access Standard			
		Average Distance in Miles to:				Average Distance in Miles to:			
Provider Category	**# of Employees**	**# of Employees with Access**	**1 Pharmacy**	**2 Pharmacies**	**3 Pharmacies**	**# of Employees without Access**	**1 Pharmacy**	**2 Pharmacies**	**3 Pharmacies**
Retail Network Pharmacy (2 in 10 miles)									

Appendix E2.3

North Dakota Public Employees Retirement System
Request for Proposals - Health Plan Administrator
PRESCRIPTION DRUG
E2.3 Formulary Match

To be updated with 2019 data before RFP is distributed

YOUR COMPANY NAME: **Bidder Name**

Indicate the tier on your proposed open formulary for each NDC. You must include a "key"
You must include a "key" or your responses will not be considered (e.g. 1 = Tier 1 (Generic), 2 = Tier 2 (Brand), 3 = Tier 3 (Non-Formulary))

NDC	Drug Product Label Name	Proposed Formulary Tier

Appendix F

Appendix F, Items F1 and F2 – Proposal Deviations (2 pages)

Instructions:

Vendors must complete and submit two separate proposal deviations worksheets. Item F1 for exceptions and suggested alternatives to the terms and provisions in the Sample Contract/ASA (Appendix A) and Item F2 for deviations to all other RFP requirements (plan designs, administration, etc.). Failure to include this information with your proposal may exclude your organization from further consideration. As noted in Item F3, vendors are also required to submit a redline version of the Contract/ASA that reflects the deviations and suggested alternatives noted below.

Commented [JKJ1]: Update if Medical contract is A1 and self-insured Rx is A2

Appendix F, Item F1 – Proposal Deviations to Minimum Contract Provisions

Please complete the following worksheet for any and all deviations and exceptions to the required contract language and provisions as outlined in the minimum contract provisions provided with this RFP. Suggested alternatives must be included. Vendors should add additional pages as needed.

NDPERS RFP SAMPLE CONTRACT/ASA DEVIATIONS AND EXCEPTIONS		
Contract Section/ Number	**Description/Contract Language**	**Suggested/Proposed Alternative Language or Provision**

Appendix F, Item F2 – All Other Proposal 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.

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

Appendix F, Item F3 – Redline version of Sample Contract/ASA (to be submitted by vendors)

Appendix G

Medical & Prescription Drug RFP

Appendix G – Existing contract benefits (plan design, wellness, services, standards, etc.) this section identifies the existing NDPERS plans contract benefits. 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. The far right column (Guide) identifies the service areas for which a response is requested. The following key is used for service areas: 1- fully insured with pharmacy; 2 – self insured with pharmacy; 3 – fully insured only; 4 – self insured with stop loss; 5 – Self insured prescription drug only; 6 self insured fully insured pharmacy only.

Commented [RBT1]: Do we need to identify fully/self? Maybe add a column?

Current Contract Benefits	Reference Resources	Discuss and Identify comparable service offering.	Guide
NDPERS Specific Plan Designs			
• Actives and Pre Medicare Retirees Medical plans o PPO/Basic Plan – Grandfathered o PPO/Basic Plan – Non Grandfathered • Active and Pre Medicare Retirees Rx plan o	https://ndpers.nd.gov/active-members/insurance-plans/group-health-plan/ppobasic-grandfathered/ https://ndpers.nd.gov/active-members/insurance-plans/group-health-plan/ppobasic-nongrandfathered/	Check WEB SITE LINKS TO NEW SITE	1,2,3,4
• Wellness Program o Dedicated Wellness Website and program similar to existing program and employer efforts o Employer Based Wellness Program	https://ndpers.nd.gov/employers/employer-resources/employer-based-wellness/ Exhibit 1 Exhibit 2 Exhibit 17		1,2,3,4
HDHP/HSA Option for State agencies - **HDHP Option without HSA administration for large political subdivisions**	https://ndpers.nd.gov/active-members/insurance-plans/group-health-plan/high-deductible-health-plan-hdhp/		1,2,3,4
Medicare Retiree Plan o Plan F look alike o ~~Plan G look alike (new)~~ ~~o~~	https://ndpers.nd.gov/retired-members/insurance-plan/group-health-plan/dakota-retiree-plan-medicare/		1,2,3,4

Formatted Table

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Current Contract Benefits	Reference Resources	Discuss and Identify comparable service offering.	Guide
General Services			
Actuarial Services • Mandate cost estimates & reporting during Legislative session within 24 to 48 hours. • Trending • Financial reporting • Plan Design Options	Mandate Estimates – Exhibit 3 See Quarterly Report and Annual Report – (Exhibit 4 & 5 (Exhibit 6) See Exhibit 9	Scott	1,3
Enrollment Services • Enrollment specialist available to answer questions by NDPERS staff • Enrollment processes – verify enrollments entered by NDPERS staff and sent through 834 file. • Rush enrollments with immediate updates • Notify NDPERS if there are problems with processing the 834 file • 834 file is mapped to correct group and class of coverage using NDPERS rate structure code and coverage codes • Report to monitor eligibility of dependents • Report to monitor retirees nearing age 65 • Mail ID cards • Mail Benefit books • Mail Summary of Benefits & Coverage • 834 Enrollment Discrepancy Reports • Weekly report of newborns based upon claims data • PERS assigned ID number		Becca	1,2,3,4
Communications Services • NDPERS newsletter items • Letters, posters, brochures • Overview of benefits • Provider Directories • Summary of Benefits & Coverage	https://ndpers.nd.gov/active-members/insurance-plans/group-health-plan/ppobasic-grandfathered/	Becca	1,2,3,4

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Current Contract Benefits	Reference Resources	Discuss and Identify comparable service offering.	Guide
• ANOC (Annual Notice of Coverage) • Benefit overviews provided to NDPERS employers • Certificate of Insurance			
Claims Administration • Subrogation, Medicare secondary payer, coordination of benefits processes • Annual NDPERS claims audit • Facilitate PBM Audit • MSP Data Match Compliance • Member Bill Audit Program	(Exhibit 7) (Exhibit 8)	Becca Bryan	1,2,3,4
Member Services • NDPERS Call Center for customer calls • Care Coordination Program • Annual satisfaction survey • Healthy Pregnancy enrollment/claims processing • Tobacco Cessation Program enrollment/claims processing • Subscriber Appeals • Point of contact for member claims issues/inquiries	Exhibit 21 https://ndpers.nd.gov/image/cache/healthy-pregnancy-information.pdf https://ndpers.nd.gov/image/cache/tobacco-cessation.pdf	Becca	1,2,3,4
Finance NDPERS recognizes that different funding arrangements will be necessary to implement a self-insured program. Process payments for NDPERS value added programs: • Tobacco Cessation Program with debit card option • About the Patient - Diabetes Management – coordinate with NDPERS & Pharmacy Association	https://ndpers.nd.gov/employers/employer-resources/employer-based-wellness/wellness-benefit-funding-program/	~~Sharon~~ Derrick	1,2,3,4, ?

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Current Contract Benefits	Reference Resources	Discuss and Identify comparable service offering.	Guide
• Employer Based Wellness Program – Funding • ~~Diabetes Prevention Program Pilot~~ • Billing (create monthly premium billings and group accounts receivables that report and track the total amount of premium due for all NDPERS members covered through carrier. These accounts are reconciled monthly with the payments and enrollment files submitted by NDPERS to ensure enrollment and billing accuracy) • 820 Premium Payment Discrepancy Reports			
Information Technologies • NDPERS specific 820 payment file • NDPERS specific 834 enrollment file • NDPERS specific benefit matrix and claims processing logic • System for processing claims for Tobacco Cessation Program • System for processing claims for About the Patient • System for processing claims for Healthy Pregnancy • Secure file transfer system • Process Improvement team meetings as needed • Member online portal		B ecca, Derrick	1,2,3,4,?
Legislative and Legal Services • Monitor State and Federal legislation for changes affecting NDPERS. • Mandate cost estimates during Legislative session Contract reviews • Compliance • Pharmacy class action settlements • Internal audit functions	Exhibit 3 Exhibit 10		1,2

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Commented [MSA3]: Part of wellness program now.

Commented [SC4]: Same for fully insured and self insured?

Current Contract Benefits	Reference Resources	Discuss and Identify comparable service offering.	Guide
• System for monitoring provider trends			
ACA Reporting & Compliance • Reporting of Minimum Essential Coverage (6055) • ACA required notices upon loss of coverage for exchanges • Monitor employer lapse in coverage for change to NGF and loss of participation if small group • ANOC (Annual Notice of Changes) • Annual contribution mailing and testing to ensure compliance of GF employers and ACA requirements • Tracking results of annual contribution testing Annual 1094B & C filings per IRS regulations (ACA mandated reporting)	https://ndpers.nd.gov/employers/employer-resources/affordable-care-act-aca/ Exhibit 22	Becca	1,2,3,4,?
Marketing and Adm Staff* • NDPERS Account Executive • NDPERS Pharmacy Coordinator • Dedicated NDPERS Wellness Consultant • NDPERSMedical Director • • NDPERS Enrollment Specialist • NDPERS Actuary • NDPERS Claims Coordinator • NDPERS Financial Coordinator • NDPERS IT Coordinator • PERS Provider Relations Coordinator • Medicare Secondary Payer Coordinator • ~~*Vendor should designate a contact in each of these areas~~.		Scott review	1,2,3,4,5,6 (were applicable)
Reporting • Quarterly Executive Summary and Annual	See Quarterly Report and Annual Report – Exhibit 4 & 5	Bryan & Becca	1,2,3,4,5.6

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Commented [SC5]: Same for fully insured and self insured?

Current Contract Benefits	Reference Resources	Discuss and Identify comparable service offering.	Guide
Assessment • Monthly data files through secure file transfer system • Adhoc reporting including cost, utilization and risk analysis • Provide claim files for medical spending accounts to NDPERS FlexComp 3rd party administrator. • Monthly file to employers regarding employee/spouse redemptions for tax reporting purposes • Monthly experience and interest reports		Provide claims data to flexible spending account TPA.	
Wellness Programs			
$250 Wellness Incentive o Online wellness portal o Voucher point coordination for attending employer activities o Developed wellness website challenges • Fitness Center Reimbursement program • Coordination of $250 incentive between fitness center reimbursement and online wellness portal • Wellness coordinator points • Monthly file to employers regarding employee/spouse redemptions for tax reporting purposes • Annual mailing to retirees of wellness redemption amounts paid to retiree/spouse for tax reporting purposes • Employer Based Wellness Program • Dedicated wellness specialist(s) to assist coordinators with wellness activities, planning and implementing ideas. • Planned and coordinated summer Wellness Coordinator workshops.	https://ndpers.nd.gov/employers/employer-resources/employer-based-wellness/ Exhibit 1 Exhibit 2 Exhibit 11 Exhibit 12 Exhibit 13 Exhibit 14 Exhibit 15 Exhibit 16 Exhibit 17 Exhibit 19 Exhibit 25	Becca	1,2,3,4

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Current Contract Benefits	Reference Resources	Discuss and Identify comparable service offering.	Guide
• Monthly Newsletter for Wellness Coordinators • Monthly Newsletter for employees • Monthly conference call/webinars • Provide monthly posters & flyers for distribution to wellness worksites • Develop monthly focuses and incorporate into monthly communications (newsletters, posters, webinar, flyer, etc) • Conduct educational webinars about wellness incentives for employees & coordinators • Onsite member education on various wellness topics • Support Vaccination Awareness program with Department of Health • Organize the NDPERS Retiree Health Fairs • Coordinate Walk @ Work Day – annual focus • Participate in COSE wellness fair at capitol each September • Dedicated staff to assist member's with issues related to online wellness portal and/or fitness center reimbursement • Provide health coaching • Provide Diabetes Prevention Program (DPP) ~~pilot~~ in major cities • Market Omada online wellness tool for DPP • Provide Exercise is Medicine in Fargo & Bismarck • Offer obesity specific wellness coaching with dietician Employer Based Wellness Funding Program • Wellness consultant on evaluation team • Review and score application~~s~~ • Administer payment of invoices from NDPERS •			

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Current Contract Benefits	Reference Resources	Discuss and Identify comparable service offering.	Guide
Prescription Drug Services			
Pharmacy Benefit Manager Programs • Integrated medical and pharmacy services • Clinical programs • Generic incentive programs • Specialty pharmacy program • RX mail order services • Formulary program • Point of contact for member inquiries/issues related to pharmacy and/or prescriptions • Drug utilization reviews • Retrospective DUR • Concurrent DUR • Prospective DUR • Guided Health Medication Therapy Management Program • Provide a nationwide Pharmacy Network	https://ndpers.nd.gov/active-members/insurance-plans/group-health-plan/ppobasic-grandfathered/ https://ndpers.nd.gov/image/cache/optumrx-medication-home-delivery.pdf~~https://ndpers.nd.gov/image/cache/mail-order-rx-home-delivery-flyer.pdf~~	Becca, , , bryan	5,6
Medical Management and Provider Services			
Medical Management • Patient medical home or comparable program • Rare and complex disease management • Disease management program for out of state members • Coordination of Care Program • Preauthorization's • Concurrent review/discharge planning • Prior approvals • Benefit inquiries	https://www.sanfordhealthplan.org/ndpers Exhibit 21	Becca, , , bryan	1,2,3,4

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Current Contract Benefits	Reference Resources	Discuss and Identify comparable service offering.	Guide
• Therapy review process • Chiropractic review • Large case management • Healthy Pregnancy program • Provider news letters			
Provider Relations • Carrier owned provider network • Total cost of care contracts • National network (total out of state discounts • Provider credentialing and contracting • Physician Quality Measurement Program • Physician Recognition Program • Patient Review of Physicians Program • Value Based Arrangement – risk share with large providers	https://www.sanfordhealthplan.org/members 97.7% of providers in Network 35% discount off in state charges. An NDPERS specific PPO network in addition to vendors network	Scott, Becca, Bryan	1,2,3,4
Health Savings Account			
Health Savings Account • Integrated enrollment of participants into HSA based upon enrollment into HDHP using NDPERS 834 enrollment file • Administration of HSA including tracking contributions and IRS limits • Participant notifications • Payment of claims reimbursement through debit card and additional options • Plan sponsor employer portal access	https://ndpers.nd.gov/active-members/insurance-plans/group-health-plan/high-deductible-health-plan-hdhp/ https://ndpers.nd.gov/image/cache/hsa-brochure.pdf https://ndpers.nd.gov/image/cache/hsa-faq.pdf Exhibit 23 Exhibit 24	Becca & Derrick	1,2,3,4
Additional Administrative Programs			
• Tobacco Cessation Program • Grant application and contract	https://ndpers.nd.gov/image/cache/tobacco-cessation.pdf	Becca, Derrick	1,2,3,4

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Commented [MSA7]: Is this supposed to be “charges”?

Commented [SC8R7]: Yes I think so

Current Contract Benefits	Reference Resources	Discuss and Identify comparable service offering.	Guide
• Coordinate efforts with ND Dept of Health & NDPERS • Enrollment • Claims processing • Debit card option • Reporting requirements • Invoices for grant reimbursement • Education and promoting • About the Patient - Diabetes Management Program • Coordinate efforts with ND Pharmacy Association • Eligibility reporting • Cost share incentive reporting • Administer payment of invoices from NDPERS Cash Reserve Account • Education & promoting • Issue approved payments to Pharmacy Association for distribution to eligible participants • Healthy Pregnancy • Enrollment • Administer Enhanced Benefits • Education & promotion • Employer Wellness Funding Program • Application review & scoring (1 representative serves on funding review committee) • Reimbursement processing to employers	https://www.aboutthepatient.net/patients/diabetes-info/ndpers-program-info/ https://ndpers.nd.gov/image/cache/healthy-pregnancy-information.pdf		
Miscellaneous			
• Provide access to all subject matter experts and other appropriate personnel and make them available for attending board meetings, legislative, hearings, etc. as needed •		Everyone	1,2,3,4,5,6 where applicable

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Current Contract Benefits	Reference Resources	Discuss and Identify comparable service offering.	Guide
• Provide meeting accommodations and access to video or teleconference for Board meetings and other meetings as needed • Provide a stable Grandfathered benefit design by monitoring activities and regulations to limit risks and insure compliance • Monitor performance guarantees • Monitor and address Legislative items • Conduct routine meetings with NDPERS staff to ensure adequate communication on items such as wellness, process improvement, benefit designs changes, and new programs.			

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Appendix H

Appendix H – Performance Standards and Guarantees

This section identifies the existing NDPERS performance standards and guarantees with the current plan administrator as modified to incorporate additional changes requested by NDPERS. Please indicate if you can match these standards/guarantees or suggest improvements or modifications in the space provided.

Commented [FRD1]: Compare to current PGs with SHP as I believe we modified a few for the final biennium.

Commented [RBT2R1]: Updated with current. What is Deloitte seeing in other plans?

Criteria	Value of Forfeiture
Health Risk Assessment: By June 30, 2021, at least 17% of eligible NDPERS members will have completed a Health Risk Assessment. This includes raising the voucher cap to 12,000.	16.99-15% = $2,500 14.99-12.01% = $5,000 12 or less = $10,000
Worksite Interventions: By June 30, 2021, at least 73% of participating employer-based wellness program agencies will have implemented a worksite intervention (i.e. wellness consultation, fruit program, break room assessment, wellness training, screening/prevention event, walking program, etc.).	$5,000
Member Interventions: By December 31, 2020, the Diabetes Prevention Program participation will increase by 3% over the Per Member Per Year (PMPY) from January 1, 2019 – December 31, 2019. By December 31, 2020, the Exercise is Medicine Program participation will increase by 3% over the PMPY from January 1, 2019 – December 31, 2019.	$5,000 $5,000
Tobacco Cessation: By June 30, 2021, the paid amount PMPY will increase by 5% over the PMPY from July 1, 2017 – June 30, 2019.	$5,000
Fitness Center Reimbursement: By Dec. 31, 2020, at least 5% of eligible members will receive the fitness center reimbursement in at least one month during the 2020 calendar year.	4.9-4% = $2,500 3.9-3% = $5,000 2.9 or less = $10,000
Wellness Redemption Center (online and worksite activity only): By Dec. 31, 2020, $800,000 will be paid out in the wellness redemption center for the 2020 calendar year. By Dec. 31, 2020, 8% of eligible members will have processed a redemption for wellness activity during the 2020 calendar year.	$799,999-700,000 = $2,500 $699,999-600,000 = $5,000 $599,000 or less = $7,500 7.99-6.01% = $2,500 6-4% = $5,000 3.9 or less = $7,500
Healthy Pregnancy Program: By June 30th, 2021, the percentage of eligible NDPERS members enrolled will increase by a growth rate of 2.5% over the percentage of eligible NDPERS members enrolled from July 1, 2017 – June 30, 2019.	$15,000
HEDIS-like measures breast cancer screening rates will be at least 80%	$15,000
HEDIS-like measures cervical cancer screening rates will be at least 85%	$15,000

HEDIS-like measures colorectal cancer screening rates will be at least 60%	$15,000
SHP shall maintain an NDPERS PPO network consisting of 92% or more of the in-state hospitals, actively practicing MD's and DO's.	$75,000
SHP guarantees NDPERS a minimum provider discount from in-network providers (1- (Allowed/Billed Charge) = 30% or greater for NDPERS professional and institutional claims for Non-Medicare contracts.	$125,000
Claims Financial Accuracy will be 99% or greater, each year of the biennium, equal to $12,500 per year.	$25,000
Claims Payment incidence Accuracy will be 97% or greater, each year of the biennium, equal to $12,500 per year.	$25,000
Claims Procedural Accuracy will be 95% or greater, each year of the biennium, equal to $2,500 per year.	$5,000
Claim Timeliness – clean claims processing within 30 calendar days will be 99% or greater, each year of the biennium, equal to $12,500 per year.	$25,000
Average Speed of Answer will be 30 seconds or less, each year of the biennium, equal to $10,000 per year.	$20,000
Call Abandonment rate will be 5% or less, each year of the biennium, equal to $10,000 per year.	$20,000
Explanation of Benefits (EOB) will be redesigned by December 31, 2019	$40,000
The interest rate utilized currently is based on the US Treasury Notes quoted by the Wall Street Journal.	$5,000
100% of Rx rebates will be passed-through to NDPERS	$10,000
Make payment to NDPSC for the About the Patient program within 5 business days upon receiving approval from NDPERS of the payment amount.	$10,000
Grand Total	**$500,000**

Forfeiture values are over the entire biennium and any forfeiture will be paid within 30 days of the run out period required to calculate the Performance Guarantee criteria.

Prescription Drug

	Requirement / Measure	Will you comply with Performance Guarantee? (Y/N)	Dollars at risk/ frequency (Quarterly, Annually)	If No, please indicate Performance Guarantee willing to meet	Performance Guarantees Reported
Maximum	Please indicate any maximum dollars you are placing at risk against these performance guarantees				N/A
Implementation Team	The successful bidder will provide an implementation team at least seven (7) months in advance of the Effective Date to be responsible for accurate installation of all administrative, clinical and financial parameters				Quarterly – Initial Performance Review
Project Plan	The successful bidder will provide an implementation project plan at least seven (7) months in advance of the Effective Date to be responsible for accurate installation of all administrative, clinical and financial parameters				Quarterly – Initial Performance Review
Execution	The successful bidder will execute upon the implementation project plan meeting deadlines as defined within the plan				Weekly
Training	Vendor will provide training on the utilization of systems and reporting tools				Weekly

	Requirement / Measure	Will you comply with Performance Guarantee? (Y/N)	Dollars at risk/ frequency (Quarterly, Annually)	If No, please indicate Performance Guarantee willing to meet	Performance Guarantees Reported
	ninety (60) days prior to implementation				
Identification Cards	For the initial implementation, accurate identification cards will be mailed at least 10 business days prior to the Effective Date				Quarterly – Initial Performance Review
Account Management Satisfaction	NDPERS, along with successful bidder, will develop agreed upon a Satisfaction Survey tool. Survey results need to achieve 90% satisfied or very satisfied				Quarterly
Team Meetings	NDPERS requires monthly team meetings to address all planning / implementation, business, financial, clinical / formulary (including new drug review) and operational needs				Monthly
Executive Steering Committee Meetings	Vendor will participate in-person in quarterly performance reviews to examine operational and financial performance				Quarterly
Accreditation	Vendor will maintain URAC accreditation				Annually
Electronic Eligibility	Eligibility files will be installed in an electronic medium, logged within eight (8) hours and status will be effective within				Monthly

	Requirement / Measure	Will you comply with Performance Guarantee? (Y/N)	Dollars at risk/ frequency (Quarterly, Annually)	If No, please indicate Performance Guarantee willing to meet	Performance Guarantees Reported
	Vendor's system within eighteen (18) hours from date of receipt, seven (7) days per week.				
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.				Monthly
Error Reports	An error report on all eligibility file updates will be produced within eighteen (18) hours from the update.				Monthly
Benefit Installation	100% accurate case, benefit and eligibility installation within seven (7) calendar days post receipt of complete and accurate information.				Quarterly
Plan Changes	Plan design changes / updates 100% accuracy within seven (7) calendar days following submission of proposed changes.				Quarterly
Turnaround – clean scripts	98% within two (2) business days if no intervention required				Monthly
Turnaround scripts requiring intervention	100% within five (5) business days of intervention				Monthly
Accuracy	99.99% Mail service dispensing accuracy rate. Error indicators include member				Monthly

	Requirement / Measure	Will you comply with Performance Guarantee? (Y/N)	Dollars at risk/ frequency (Quarterly, Annually)	If No, please indicate Performance Guarantee willing to meet	Performance Guarantees Reported
	name, drug strength, directions, quantity and prescriber name.				
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				Monthly
Specialty pharmacy delivery	98% of prescription will be delivered and received by patients on the specified date of delivery				Monthly
Abandon Rate	At least 97% of all Customer Service calls will be handled (maximum 2% abandonment rate)				Monthly
First Call Resolution	At least 98% of all Customer Service call issues will be handled on the first call from a member. Measured by the number of telephone inquiries completely resolved at the time of initial contact divided by the total number of calls.				Monthly
Average Speed of Answer	An average speed of answer of no more than 30 seconds for the customer service and pharmacy help desk calls				Monthly

	Requirement / Measure	Will you comply with Performance Guarantee? (Y/N)	Dollars at risk/ frequency (Quarterly, Annually)	If No, please indicate Performance Guarantee willing to meet	Performance Guarantees Reported
Telephone Service Factor	80% of all calls answered within 30 seconds or less				Monthly
Member Communication	All member communications responded to within 48 hours				Monthly
Customer Service Complaint Log	Vendor will log all customer service complaints and their resolution and provide the log to NDPERS in the monthly operating review				Monthly
Customer Service Complaint Resolution	Vendor must initiate and provide member resolution within 24 hours of receipt of issue				Weekly
Customer Satisfaction Surveys	Member satisfaction survey result scores of 98% satisfied or very satisfied score based on a statistically significant sample size and a 20% response rate				Weekly
Plan Sponsor Satisfaction Surveys	Plan Sponsor (e.g., Employer Groups) satisfaction survey result scores of 98% satisfied or very satisfied score based on a statistically significant sample size and a 75% response rate.				Bi-Annually
Claims Processing	100% of all network electronic claims will be received, processed and messages returned to the submitting network pharmacy within three (3)				Quarterly

	Requirement / Measure	Will you comply with Performance Guarantee? (Y/N)	Dollars at risk/ frequency (Quarterly, Annually)	If No, please indicate Performance Guarantee willing to meet	Performance Guarantees Reported
	seconds.				
System Availability	Claims adjudication system will be available for retail claims processing 99% (or more) of the time, 24 hours per day, 7 days per week, 365 days per year - Excluding normal maintenance during late night hours.				Quarterly
Paper Claims	Paper claims will be processed and determinations rendered and communicated within seven (7) days upon receipt.				Quarterly
Pharmacy Access	95% of members will have a network pharmacy within 5 miles of their home address.				Quarterly
Overall Production Application Availability	Threshold is 99.7% system availability. Measurement includes all online systems tracked individually and in aggregate (Minutes of outage/Minutes scheduled). Includes web, online systems, batch feeds and reporting.				Monthly

Commented [FRD3]: Will this work with rural ND? Do we want to have a requirement of a % of 90 day network pharmacies also?

Appendix I. Suggested Changes to Plan Design, Programs and Services

Vendors should match the current programs and services as closely as possible when providing proposals. This appendix is meant for vendors to offer suggested changes to plan design and identify the cost or cost savings associated with each suggestion. In addition, vendors can suggest or offer changes to the services along with identification of the benefits/cost or savings. This section is not meant to list deviations to required agreements or service offerings. It should be noted that this section will be reviewed only after the vendor is successful based upon the other provisions of this RFP.

Appendix J
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.

In response to the Request for Proposals entitled _____ (please check one):

____ 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 protected from disclosure under the North Dakota Open Records law.

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 necessary				
Cost 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 necessary				

The above information has been reviewed by Responder's legal counsel and is attested to by _____ (insert name of Responder representative who is authorized to contractually bind Responder), on this _____ day of _____, 2020.

_____ (Signature)

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: Bryan T. Reinhardt

DATE: April 14, 2020

SUBJECT: 2019 Sanford Claims Review

Each year we conduct an audit to check the accuracy of the health plan claims processing. On January 30th and 31st, I was at the Sanford corporate office in Fargo to review a sample of 100 NDPERS claims. A list of the claim specifications is attached. Note that this is not a random sample of all claims, but a select sample from specific areas that we felt needed to be looked at. I focused on claims incurred in the year 2019. Sanford did a good job of having everything ready for me and having staff available to answer my questions and explain the claims payment process.

The findings are detailed below:

Review Errors/Findings/Observations:

An audit claim had a member that was on the pre-Medicare plan but they were over age 70. This was discovered before the audit and the member was moved to the Medicare plan. The claims were fixed and adjusted before the audit. I ran a check for the current Pre-Medicare plan members and there were none age 65+ and the Medicare Single/Family/Family 3+ contracts are in their proper rate category.

Claims that are 100% paid by WSI are simply rejected. I feel this is correct. Claims that are 50%/50% coordination with WSI have deductible and coinsurance credited to the member's accumulators based on what was paid by WSI. This doesn't seem correct. Sanford checked and notes that they are following North Dakota Administrative Code.

45-08-01.2-05. Procedure to be followed by secondary plan..., ND ADC 45-08-01.2-05

North Dakota Administrative Code
Title 45. Insurance, Commissioner of (Refs & Annos)
Article 45-08. Group Insurance
Chapter 45-08-01.2. Coordination of Benefits Regulation

NDAC 45-08-01.2-05

45-08-01.2-05. Procedure to be followed by secondary plan to calculate benefits and pay a claim.

Currentness

In determining the amount to be paid by the secondary plan on a claim, should the plan wish to coordinate benefits, the secondary plan shall calculate the benefits it would have paid on the claim in the absence of other health care coverage and apply that calculated amount to any allowable expense under its plan that is unpaid by the primary plan. The secondary plan may reduce its payment by the amount so that, when combined with the amount paid by the primary plan, the total benefits paid or provided by all plans for the claim do not exceed one hundred percent of the total allowable expense for that claim. In addition, the secondary plan shall credit to its plan deductible any amounts it would have credited to its deductible in the absence of other health care coverage.

Credits
History: Effective January 1, 2006.

General Authority: NDCC 26.1-36-38
Law Implemented: NDCC 26.1-36-10, 26.1-36-29, 26.1-41-13

Current through Supplement 375 (January 2020) as reviewed by the Administrative Rules Committee on December 3, 2019.

N.D. Admin. Code § 45-08-01.2-05, ND ADC 45-08-01.2-05

End of Document

A claim with 50/50 coordination with WSI had an overpayment for $29.23 due to the claim being processed incorrectly using Coordination Of Benefits (COB) procedures and not simply paying the amount that WSI didn't pay.

A similar claim for 50/50 WSI processed incorrectly. Sanford will reprocess the claims for these members. The error may be due to manually using the wrong process for this situation. Sanford is investigating these claims and may flag them for review going forward.

One claim was a hospital claim with Avera St. Luke's in Aberdeen South Dakota (contiguous county). This claim used the TLC wrap network and was processed at 98% of charges. There is no contract with the Avera providers as they refuse to sign with Sanford. Claims are processed through Sanford's wrap network. This Avera provider is also listed as a PPO

provider. Recall that the PPO network was maintained through the transition from BCBS to Sanford. I asked Sanford to do an analysis of the in-state providers and their PPO status. The table below shows that 856 of the provider contracts have the standard discount, 199 have an additional discount, and 23 have no discount. Sanford confirmed that these 23 providers are needed to give members access to services. Sanford confirmed there are no PPO providers w/o a discount in areas with multiple provider access.

Summary PPO Provider Contracts	# of unique Provider Tax ID	Charge Amount	Percent of Total	Allowed Amount	Percent of Total
5% Additional Discount	199	$ 205,380,802.41	91.33%	$ 111,672,256.68	88.83%
Commensurate Discount	856	$ 18,801,958.44	8.36%	$ 13,474,706.68	10.72%
Necessary Access Providers	23	$ 704,185.89	0.31%	$ 562,551.42	0.45%
Total	1078	$ 224,886,946.74	100.00%	$ 125,709,514.78	100.00%

A screening claim had a lipid panel (cholesterol screening) not go to the $200 wellness screening benefit. There was a metabolic panel on that same claim that did go to the $200 wellness benefit. Further research showed that Sanford is allowing one metabolic panel per year to go to the wellness benefit regardless of the primary diagnosis. The lipid panel needs a primary “cholesterol” or “routine screening” diagnosis to go to the $200 wellness benefit. A1C screenings also are not going to the $200 wellness screening benefit even if there is a “general screening” diagnosis along with a diabetes diagnosis. In a similar scenario, hypertension does let one test per year go to the wellness benefit. Staff asked Sanford to formally review the A1C processing.

Sanford informed us that there has been an issue with Diabetic Eye Exams. The SPD says that one dilated exam is allowed per year (copay applied). Any additional claims are denied. This is really a medical condition that often does require more than one office visit per year. Any claim that is denied is simply not covered and moved to the patient responsibility without any fee schedule or discounts applied. Sanford has started to overturn these claims upon member appeal. If a member doesn’t call in and appeal, the member is likely paying the full charges. This could mean any charge, $240 for example in one audit claim, versus an allowed/discounted amount generally in the $140 range. The SPD states a copayment and then coinsurance for these services. Sanford recommends changing COI language to allow the additional exams.

The Prostate Cancer Screening (PSA test) is a specific benefit in the SPD for members age 50+. The deductible is waived, but coinsurance is applied. With this as an identified benefit, it does not apply to the $200 wellness screening benefit. If a member is under age 50, their PSA test goes toward the $200 wellness benefit. If the benefit was simply removed a member would receive no out of pocket for a PSA test as long as it went to their $200 wellness benefit. NDCC 26.1-36-09.6 requires this benefit be specifically covered. A similar benefit called out would be a mammogram test paid at 100%. Removing the coinsurance for PSA screening benefit would make processing simpler and in most cases decrease member out-of-pocket. Staff asked Sanford to formally review the PSA benefit.

Note that physical therapy and chiropractic have a $25 copayment versus a $30 copayment for office visits. NDPERS also does not have a limit on chiropractic visits where most plans have a 20 visit limit. It is rare to have an unlimited plan like ours with varying copayments. Any reduction to these benefits would affect the plan's grandfathered status, so it is something to keep in mind for future changes.

All the screening audit claims were properly adjudicated:
PAP 3/3, Mammogram 3/3, Fecal Occult 3/3, Cholesterol 3/3, Blood sugar 3/3, PSA 3/3, Colonoscopy 5/5, Influenza vaccine 5/5.

When members move between the HDHP and PPO plans, lifetime maximums will transfer between plans except for the prosthetic lifetime maximum. Sanford notes that they do this because as a member ages, a prosthetic may become worn out or not fit well anymore. The NDPERS SPD says, "*Prosthetic limbs, sockets and supplies, and prosthetic eyes limited to one (1) per lifetime unless medically necessary due to growth for Members under 19*".

* Started September 2019 Sanford is using a new Code Editor System (CES) through Optum to check if the coding is proper on incoming claims. This should help stop the bundling/unbundling of services to enhance payments.

* Sanford started a new Fraud/Waste/Abuse process about a year ago. They are still working on the results of this effort.

Staff Recommended Board Action:

Allow lipid and A1C screenings to go toward $200 wellness benefit once per year for any diagnosis. Additional tests would be subject to cost share. The attached memo from Sanford agrees to allow this change.

Remove limit on dilated eye exams and process similar to office visits. Sanford recommends these be processed similar to an office visit with a copayment. A language change would be needed in NDPERS COI.

Remove the coinsurance for an annual PSA test falling under the COI criteria and process similar to the mammogram and PAP wellness benefits. The attached memo from Sanford agrees to allow this change.

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

Attachment

NDPERS 2019 Audit of 1/2019 – present Sanford Claims Processing

1. Professional Chiropractic (1 claim)
2. Institutional COB (1 claim)
3. Institutional COB (2 with Medicare Member age 65+)
4. Institutional COB (2 with Medicare Member age <65)
5. Institutional COB (5 with Workers Compensation)
6. Professional COB (3 claims Other Insurance Plan)
7. Professional COB (2 with Medicare)
8. Professional COB (5 with Workers Compensation)
9. Institutional Psych (2 claims)
10. Professional Psych (2 claims)
11. Institutional CDU (2 claims)
12. Professional CDU (2 claims)
13. Professional PAP (3 claims) (No COB)
14. Professional Mammograms (3 claims) (No COB)
15. Professional Fecal Occult Test (3 claims) (No COB)
16. Professional Cholesterol Screening (3 claims) (No COB)
17. Professional Blood Sugar Testing (3 claims) (No COB)
18. Professional PSA Testing (3 claims) (No COB)
19. Professional Colonoscopy (5 claims) Include Institutional and Lab components (No COB)
20. Prescription Drug Formulary (6 claims)
21. Prescription Drug Non-Formulary (6 claims)
22. Prescription Drug for Flu Vaccine (5 claims) (No COB)
23. Prescription Drug Medicare Part-D claims (5 claims)
24. Institutional 'Denied Experimental' (1 claims)
25. Professional Physical Therapy (4 claims) (No COB)
26. Claims for Durable Medical Equipment (2 claims)
27. Professional from HDHP member (3 claims)
28. Institutional from HDHP member (2 claims)
29. Prescription Drug 2019 history for one HDHP member
29. Office Visit for Infertility (5 claims)
30. Adult Routine Diagnosis Physical Office Visit with Screenings (2 claims)
31. Out-Of-State Out-Of-Network Professional Claims (5 claims)
32. Institutional Delivery Claim on Healthy Pregnancy Program (1 claim)

Total 100 Claims

SANFORD HEALTH PLAN

April 4, 2020

NDPERS Request for 100% Coverage for Prostate/Diabetes/Lipid Testing

Overview: NDPERS has requested that SHP consider making benefit changes to two screening tests with no change to premium. Currently the deductible is waived for the Prostate Specific Antigen (PSA) cancer-screening test, but coinsurance applies. NDPERS would like to cover the PSA test at 100% to put the coverage of this test in line with how mammograms are covered.

The A1C test is a blood test that provides information about your average levels of blood glucose, also called blood sugar, over the past 3 months. Currently the deductible and coinsurance apply to this test, but NDPERS would like to put this into its annual $200 of wellness benefit, which is covered at 100%. The NDPERS $200 wellness benefit applies to a variety of wellness benefits, but the A1C test is not currently included. In addition, NDPERS would like Lipid tests to be covered under the $200 wellness benefit regardless of coding. The request is for allowing once a year, but the below analysis shows the cost for adding more than one tests as there were only 11 members took two tests in the 2019. NDPERS can decide if they want to limit it to one test annually or not as the financial impact is minimal.

SHP has the right to change premium, but these changes have less than a 0.1% of premium impact (about $200K annually). The recommendation is to move forward with NDPERS request and make the change without affecting premium rates.

NDPERS - Annualized Cost of PSA/A1C/Lipid Test Requested Benefit Change				
	A1C Test	PSA Test	Lipid Test	Total
# of Tests	3,136	3,136	390	6,272
Deductible Cost Sharing- 2019	$69,933	$11,190	$16,774	$81,124
Coinsurance Cost Sharing - 2019	$5,164	$31,852	$135	$37,016
Total Member Cost Sharing - 2019	$75,097	$43,042	$16,908	$118,139
NDPERS 2019 Average Membership	51,237	51,237	51,237	51,237
Cost as a PMPM - 02019	$0.12	$0.07	$0.03	$0.19
A1C Test Inflation Factor	5.0%	5.0%	5.0%	5.0%
Membership as of February, 2020	51,676	51,676	51,676	51676
Annual Cost of eliminating Cost Sharing	$79,528	$45,582	$17,906	$143,016
Assumed increase in utilization	25%	25%	25%	25%
Cost per test	$32.50	$53.00	$45.35	$42.75
Cost due to increase in utilization	$25,480	$41,552	$4,422	$71,454
Total Cost for Change in Benefit	$105,008	$87,134	$22,328	$214,469
Cost of added benefit as a percent of premium	0.03%	0.03%	0.01%	0.07%

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: Rebecca

DATE: April 14, 2020

SUBJECT: FlexComp Plan: CARES Act Provisions Impacting Flexible Medical Spending Accounts and Plan Year Deadline Extension

Staff wanted to provide the Board with information regarding the FlexComp Plan directly related to COVID-19.

CARES Act:
The Coronavirus Aid, Relief, and Economic Security (CARES) Act included two provisions that impact flexible medical spending accounts. These provisions include the allowance of over-the-counter medications without a prescription and of menstrual care products for reimbursement from a member's medical spending account. These provisions have a retro-active effective date of January 1, 2020. This means that members will be able to request reimbursement for these newly eligible expenses back to the start of the current plan year upon providing ASIFlex with proof of payment. However, this does not constitute a qualifying IRS change in status event or allow a participant to modify one's annual election amount. Attachment 1 is a flyer provided by ASIFlex that gives details about these new allowable expenses. Notice was provided on the NDPERS website, FaceBook and distributed to Flex plan employers to distribute to their employees.

Plan Year Deadline Extension:
In addition, ASIFlex has notified NDPERS that members with medical and dependent care spending accounts are inquiring whether the April 30, 2020 deadline for claims submissions will be extended due to COVID-19. The claims submission deadline is for services for the 2019 plan year and grace period. ASIFlex is recommending plan sponsors consider extending their deadline to June 30, 2020.

Given the current situation, staff recommends that we follow ASIFlex's recommendation and extend the 2019 claims submission deadline from April 30, 2020 to June 30, 2020 to allow additional time for individuals to submit their claims for reimbursement. This would just be for the 2019 claims and the regular claims submission deadline of April 30 would resume for 2020 claims.

If approved, staff will notify ASIFlex and send communications to employees via their employers. We will also provide notice on the NDPERS website and FaceBook.

Board Action Requested

Approve staff's recommendation to extend the 2019 claims submission deadline from April 30, 2020 to June 30, 2020.

Over-the-Counter Health Care Products
Drugs and Medicines Eligible Without an Rx

Attachment 1

OTC Drugs and Medicines Now Eligible Without a Prescription!

The CARES Act permanently reinstates coverage of over-the-counter drugs and medicines **without a prescription**! In addition, qualifying expenses also now include menstrual care products.

When is this effective?

The change is effective for expenses incurred on or after January 1, 2020.

What types of drugs and medicines are eligible without a prescription?

Thousands of products are now eligible without a prescription. Examples include allergy medicines, antacids, cold, cough and flu medicine, pain and fever relievers, sleep aids, stomach and digestive aids, etc. Other products remain eligible as in the past such as contact lens solutions, birth control items, blood pressure monitors, diabetic supplies, first aid kits, sunscreen, thermometers, vaporizers, walking aids, etc. See next page.

Can I change my health care FSA election?

Although you cannot change your election now, you can still submit claims for any expenses you incurred January 1, 2020 or later. At your next open enrollment, you can make a new election taking these eligible expenses into consideration.

How can I submit claims?

You can submit claims via mobile app, online or by completing a claim form and faxing toll-free.

What type of documentation should I submit with my claim?

Just provide a copy of the merchant itemized receipt that shows:

- Merchant name
- Date of purchase
- Itemized description of each product purchased
- Dollar amount paid for each item

Can I use my ASIFlex or other employer debit card to purchase OTC products?

Yes. However, please keep in mind that this may not be available immediately. Merchants will need to update their systems which will take a few weeks or more. In the meantime, simply save the merchant itemized receipt and submit a claim to be reimbursed.

Which merchants will accept health plan debit cards?

It is anticipated that the same merchants who accept cards now for general OTC health care products will accept the card for OTC drugs and medicines.

IMPORTANT NOTICE - Due to current health care warnings across the nation, mailed claims received by ASIFlex will remain unopened for three days. You can avoid delays by submitting claims electronically.

OTC 03_2020

Manage your account online!

Register your account at ASIFlex.com to see your account statement and balance, submit claims, and read secure messages.

Call to action!

Update your personal account setting to be sure you are signed up to receive email and text alerts, and sign up for direct deposit reimbursements.

Get the ASIFlex app!

- Submit claims.
- Submit documentation.
- Access your balance and account statement.

Search ASIFlex Self Service and download the app today.

ANDROID APP ON Google play

Available on the App Store

ASIFlex Customer Service
ASIFlex.com
asi@asiflex.com
P: 800.659.3035
F: 877.879.9038
P.O. Box 6044
Columbia, MO 65205-6044

ASI FLEX

Over-the-Counter Health Care Products, Drugs and Medicines

Eligible Without a Prescription

General OTC Health Care Products	OTC Drugs and Medicines
Athletic Braces & Supports	Acne Treatments
Baby Monitors, Thermometers, Nasal Aspirators	Allergy Medicine
Bandages, Tape, Gauze & Pads	Antacids & Acid Controllers
Birth Control, Pregnancy & Fertility Kits	Anti-Fungal Treatments
Breast Pumps & Accessories	Anti-Itch Treatments
Blood Pressure Monitors	Antiparisitic & Lice Treatment
Contact Lens Solutions, Cases & Rewetting Eye Drops	Aspirin & Baby Aspirin
Denture Adhesives & Cleansers	Callus & Corn Removers
Diabetic Supplies, Monitors, Test Strips, Insulin	Chest Rubs
Eye Glass & Lens Cleaners, Reading Glasses	Children's Cold & Allergy Medicines
First Aid Kits, First Aid Treatments & Supplies	Cold Sore Treatments
Glucosamine Supplements, Glucose Tablets	Cough Drops & Spray
Hearing Aid Batteries	Cough, Cold & Flu Medicine
Home Medical Equipment	Diaper Rash Cream
Heating Pads, Hot & Cold Packs	Ear Drops & Wax Removers
Home Diagnostic Kits, Tests & Devices	External Pain Relievers
Incontinence Products, Catheters, Ostomy Supplies	Eye Drops
Lip Balm SPF 15+ and broad spectrum	Fever and Pain Relievers
Medical Monitors & Testing Devices	Hemorrhoidal Treatments
Menstrual Care Products	Laxatives
Motion Sickness Aids & Wristbands	Nasal Spray
Orthopedic & Surgical Supports	Nicotine Gum & Patches
Pill Boxes, Cutters, Sorters & Organizers	Oral Pain Relievers
Prenatal Vitamins	Pain Relieving Creams & Pads
Shoe Insoles & Inserts	Sleep Aids
Sunscreen & Lip Balm SPF 15+ and broad spectrum	Stomach & Digestive Aids
Thermometers, Vaporizers & Inhalers	Topical Skin Treatment
Walking Aids, Canes, Crutches & Wheelchairs	Wart Removers

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Memorandum

TO: NDPERS Board

FROM: Rebecca

DATE: April 14, 2020

SUBJECT: FlexComp Plan Renewal

Effective January 1, 2019 ASIFlex was awarded the bid for the FlexComp plan. Attachment 1 is ASIFlex's renewal rate confirmation for the January 1, 2021 through December 31, 2022 plan years. This time period represents the 2nd two-year period available for contracting as part of the bid process.

As indicated on the renewal rate confirmation, ASIFlex has proposed the same program services and fee structure as current with no changes for the January 1, 2021 through December 31, 2022 plan years.

As reported to the Board during the February 2020 meeting, participation in the FlexComp plan increased during annual enrollment for the 2020 plan year by 1.02% for medical spending accounts and 2.64% for dependent care spending accounts. Survey responses indicate an overall satisfaction with the plan and the services being provided by ASIFlex.

Staff recommends that we amend the current contract to renew with ASIFlex for the January 1, 2021 through December 31, 2022 contract period.

Board Action Requested

Approve staff's recommendation to amend the current contract to continue with ASIFlex for the January 1, 2021 through December 31, 2022 contract period.

Attachment

March 16, 2020

Ms. Rebecca Fricke
North Dakota Public Employees Retirement System
PO Box 1657
Bismarck, ND 58502-1657

RE: NDPERS FlexComp Program Renewal January 1, 2021 – December 31, 2022

Dear Rebecca:

On behalf of our ASIFlex team, we are pleased to inform you of the January 1, 2021 through December 31, 2022 renewal conditions for the NDPERS FlexComp program.

For the two year period of January 1, 2021 through December 31, 2022, ASIFlex will renew the current program services and fee structure with no changes. We appreciate the opportunity to work with the State, and appreciate your partnership.

Should you need further information or have questions, please contact:

Anita Spencer
573.999.6632
aspencer@asiflex.com

If there is anything else that I can do, just let me know.

Sincerely,

John M. Riddick
ASIFlex President/CEO

North Dakota
Public Employees Retirement System
400 East Broadway, Suite 505 ● Box 1657
Bismarck, North Dakota 58502-1657

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

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Memorandum

TO: NDPERS Board

FROM: Rebecca

DATE: April 14, 2020

SUBJECT: Dental Plan Renewal

Effective January 1, 2019 Delta Dental was awarded the bid for the group dental insurance plan. Attachment 1 is Delta Dental's renewal rate proposal for the January 1, 2021 through December 31, 2022 plan years. This time period represents the 2nd two-year period available for contracting as part of the bid process.

As you may recall as part of their bid, Delta Dental:

1) Was the vendor for the January 1, 2013 through December 31, 2018 period;

2) Held premiums at the previous biennium rate for the current contract period January 1, 2019 through December 31, 2020. Also, please note that Delta Dental has held these premiums at the current rate since January 1, 2015;

3) Provided a 3% premium rate cap guarantee to the current contract period rates, if utilization determined the increase was warranted, for the 2nd contract period of January 1, 2021 through December 31, 2022; and

4) Guaranteed no more than a 3% premium rate cap guarantee for the January 1, 2023 through December 31, 2024 contract period.

Based upon the attached renewal rate proposal, the needed increase based on NDPERS member utilization is 4.25%, although Delta Dental is proposing the 3% premium rate increase cap as outlined in their bid's Best and Final Offer.

Also included is Attachment 2, which is the Renewal Overview prepared by Delta Dental that provides information about utilization, the Delta Dental network and performance measures.

The following are the current and proposed renewal rates:

	Current	**Renewal**
Emp Only	$38.64	$39.80
Emp + Spouse	$74.58	$76.82
Emp + Child(ren)	$86.58	$89.18
Emp + Family	$123.30	$127.00

As reported to the Board during the February 2020 meeting, participation in the dental plan increased during annual enrollment for the 2020 plan year by 98 members with a total of 10,919 active employees. There are 3,395 retirees participating in the plan as of January 2020. Based upon the survey results included in Attachment 2, members appear to be satisfied with the services provided by Delta Dental

Staff recommends that we amend the current contract to renew with Delta Dental for the January 1, 2021 through December 31, 2022 contract period.

Board Action Requested

Approve staff's recommendation to amend the current contract to continue with Delta Dental for the January 1, 2021 through December 31, 2022 contract period.

Attachment 1

Delta Dental of Minnesota

DELIVERED VIA EMAIL

March 10, 2020

24-Month Contract Term

Scott Miller
North Dakota Public Employees Retirement System
400 East Broadway, Suite 505
PO Box 1657
Bismarck, ND 58502

Re: Group Dental Plan # 537482
North Dakota Public Employees Retirement System
Contract Term: January 1, 2021 - December 31, 2022

Dear Scott:

Delta Dental of Minnesota has been pleased to provide dental benefits to your employees under our Delta Dental contract. We look forward to the renewal of your dental program for the above noted Contract Term.

Renewal of your contract is predicated upon the assumption your group continues to meet Delta Dental's underwriting guidelines. Payment of the renewal rates listed below constitutes acceptance of this renewal offer. If you wish to cancel your contract with Delta Dental for any reason, we must have notification 90 days prior to the renewal date.

	Current Rates	Renewal Rates
Employee:	$38.64	$39.80
Employee + Sp:	$74.58	$76.82
Employee + Ch(n):	$86.58	$89.18
Family:	$123.30	$127.00

We thank you for your business and look forward to servicing your group. If you have any questions, please contact your Delta Dental representative, Mark Keller, at 612-224-3271.

Sincerely,

Andrea L. Allred
Vice President, Account Management and Client Services

Copy: Mark Keller
Rebecca Fricke

Corporate Address
Delta Dental of Minnesota
500 Washington Avenue South
Suite 2060
Minneapolis, MN 55415-1163

Telephone: 612-224-3300
Toll Free: 1-877-268-3384
DeltaDentalMN.org

Mailing Address
Delta Dental of Minnesota
PO Box 9304
Minneapolis, MN 55440-9304

DELTA DENTAL®

RENEWAL CALCULATION
24 MONTH CONTRACT

Group Name	North Dakota Public Employees Retirement System		
Group Number	537482		
Renewal Period:	January 1, 2021	through	December 31, 2022
Experience Period:	January 1, 2019	through	December 31, 2019

Earned Premium	$9,799,161
Incurred Claims	$8,773,640
Estimated Unpaid Claim Liability*:	$53,483

* EUCL has already been added to the incurred claim total

Average Experience Period Enrollment:	
Employee	4,413
Ee + Sp	2,996
Ee + Ch (n)	923
Family	2,780
Total	11,111

Trend Factor:	3.02%

Trend is calculated from the mid-point of the experience period to the midpoint of the renewal period.

Current Corporate Trend:	3.50%
Benefit Adjustment Factor (BAF):	0.00%

BAF is needed if any benefit changes are proposed for the upcoming contract period.

Projected Incurred Claims:	$9,038,823
Needed Increase:	4.25%
Proposed Increase:	3.00%

Rates:	Current	Renewal
Employee	$38.64	$39.80
Employee+Sp	$74.58	$76.82
Employee+Ch(n)	$86.58	$89.18
Family	$123.30	$127.00

A 3% rate cap applies to the renewal period 1/1/2021 through 12/31/2022. A 3% rate cap also applies to renewal period 1/1/2023 through 12/31/2024.

Delta Dental reserves the right to re-evaluate the rates/fees and restrict funding options if during the contract period:

**** the number of enrolled employees deviates from the above enrollment by 10% or more***

**** any changes are made to the plan design, contractual benefits or networks that are utilized***

This renewal is valid only if the contract is issued in the state of North Dakota.

90.21% Target Loss Ratio JCD

Note: Our rates include all applicable taxes and fees. N/A Broker Commission 3/10/20

Attachment 2

North Dakota Public Employees Retirement System

2021 Premium Rate Proposal & Utilization Review

DELTA DENTAL

Our Mission

To promote healthier lives

2021 Premium Rate Proposal

NDPERS dental plan utilization allows us the opportunity to offer NDPERS the following renewal proposal:

- ✓ 3% premium rate increase for 24-months effective January 1, 2021.
- ✓ 3% premium rate cap guarantee for 24-months still applies to the January 1, 2023 renewal.

Why do more than **4.3 Million** people trust Delta Dental of Minnesota with their smiles?

Nationwide networks providing excellent access to Members.

Extensive savings to Employers and Members

Best-in-class customer service at 97.6% customer satisfaction

At Delta Dental, we live and breathe Oral Health – it's our #1 priority.

Reflects 2019 data

At Delta Dental, we believe everyone deserves a healthy smile.

9,275 Groups
Including 14 of 19 Minnesota-based Fortune 500 companies

“A”

EXCELLENT A.M. Best
For financial stability since 1999

51 Years
As the regional dental expert

Reflects 2019 data

DELTA DENTAL

About the Delta Dental Plans Association

39 Delta Dental Member Companies

80 Million Members Nationwide

Delta Dental serves
448 of the Fortune 1000
companies

146,000
Groups across the nation

99.6%
Claims accuracy

128,000,000
Dental claims processed annually

Reflects 2019 data

NDPERS Utilization

	CY 2018	CY 2019	Change
▪ Average Enrolled	10,534	11,111	5.5%
▪ Total Paid Claims	$8,069,082	$8,692,923	7.7%
▪ Cost Per Claim	$170.64	$178.02	4.3%
▪ EOBs Per EE	4.5	4.4	(2.2%)
▪ Claim Cost Per EE	$766.00	$782.37	2.1%

Top Benefit Levels - by Percentage of Paid Claims

Benefit	NDPERS	Normative
Preventive & Diagnostic	56%	48%
Basic Restorative (fillings)	13%	13%
Major Restorative (crowns)	12%	12%

67% of NDPERS members received at least one preventive cleaning.

Two Networks, More Choices

Delta Dental Premier® & Delta Dental PPO™

Regions Largest Networks

Delta Dental networks include 64% of the licensed, practicing dentists in North Dakota.

Delta Dental Premier® 265
Delta Dental PPO™ 97

Delta Dental networks include 90% of the licensed, practicing dentists in Minnesota.

Delta Dental Premier® 3,135
Delta Dental PPO™ 1,942

Largest National Networks

Delta Dental Premier® is the largest dental network in the country with more than 156,000 participating dentists which includes 112,000 **Delta Dental PPO™** dentists offering additional discounts.

Reflects 2019 data

What Are Network Savings?

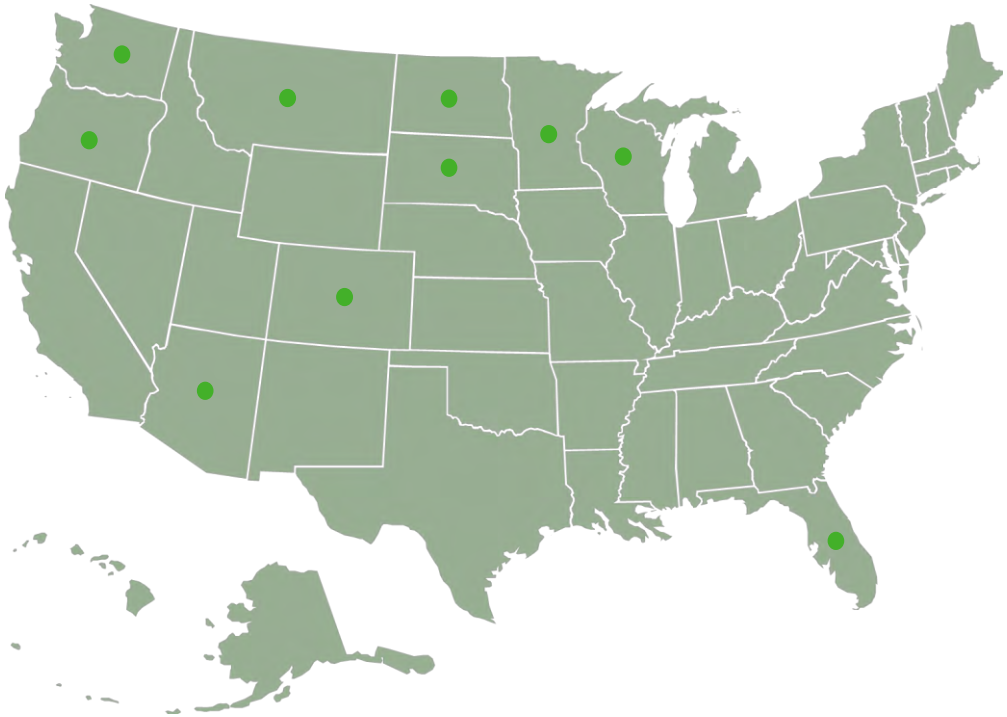
Claims represent the primary expense of a dental plan. Expenses are administrative fees and paid claims. Employers experience networks savings when employees have consistent and strong in-network utilization!

Utilization of Networks	NDPERS
Delta Dental PPO™	22%
Delta Dental Premier®	+ 55%
	77%
Normative	77%

Top 10 States by Paid Claims

90% of total plan claims paid in North Dakota

- North Dakota 90%
- Minnesota 7%
- Arizona 1%
- South Dakota <1%
- Colorado <1%
- Florida <1%
- Wisconsin <1%
- Washington <1%
- Montana <1%
- Oregon <1%



NDPERS Member Network Savings

Networks	CY 2019
Delta Dental PPO™	$828,822
Delta Dental Premier®	$2,049,668

Total Network Savings: $2.9 million

Total Network Savings represents the average per employee savings:

$259 Annually or $22 Per Month

2019 Operational Performance

PERFORMANCE ITEM	TARGET	RESULTS
Claim Turnaround Time		
Number of days between receipt of claim and adjudication.	90% in 14 calendar days 99% in 30 calendar days	97.9% 99.6%
Claims Payment Accuracy		
Percent of claim dollars paid (or denied) in accordance with plan design.	99% of dollars paid accurately	99.9%
Claims Processing Accuracy		
Percent of claim dollars paid (or denied) in accordance with plan design.	98% of claims processed accurately	99.9%

2019 Operational Performance Continued

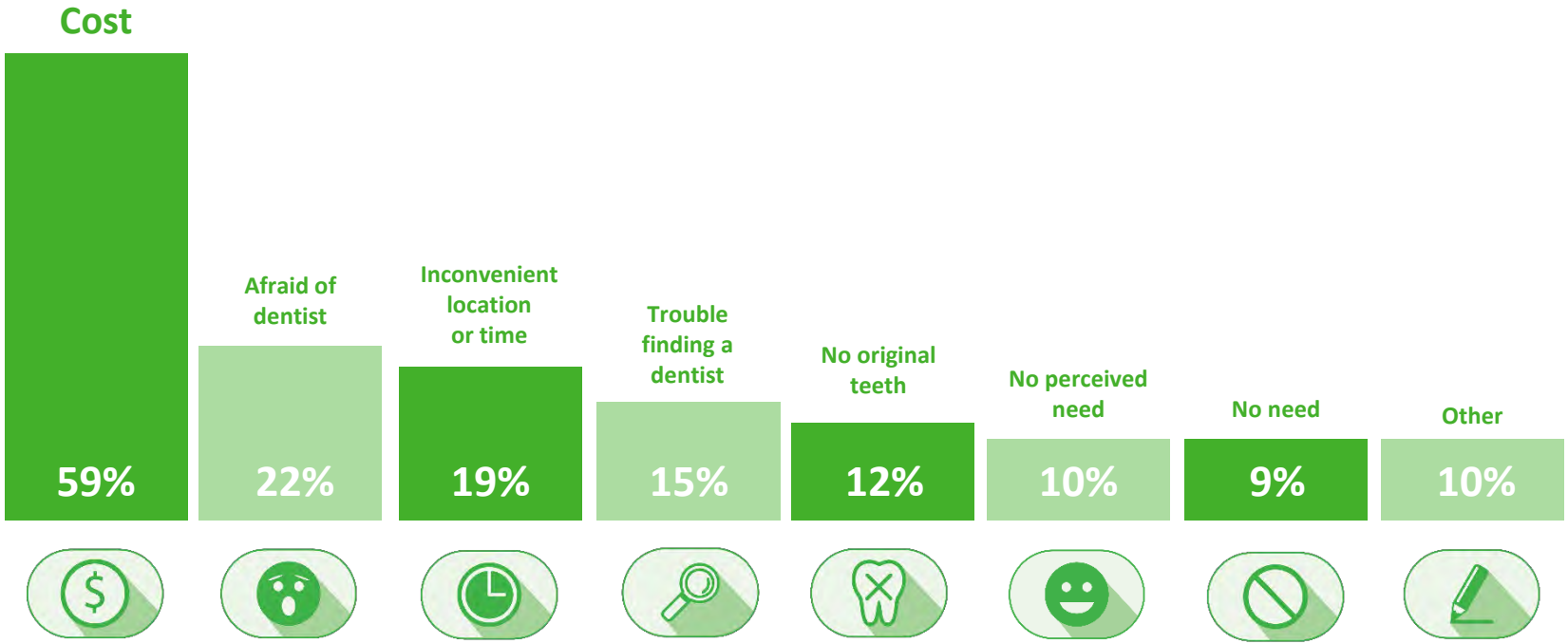
PERFORMANCE ITEM	TARGET	RESULTS
Phone Average Speed of Answer		
Average number of seconds to answer phone	25 seconds or less	9 seconds
Phone Abandonment Rate		
Percent of callers who hang up prior to the call being answered	3% or less	0.8%
Employee Satisfaction		
Percent of subscribers satisfied with our overall quality of service	Percentage of claimants rating Delta Dental of Minnesota's quality of service: 85% satisfactory or greater based on the annual Subscriber Satisfaction Survey	95.7%

Dental Industry Topics and Trends

- Science confirms your Dental Health is important to your overall health
- Increased emphasis on Preventive Dental Benefits and Periodontal Disease
- Opioids in dentistry and addressing the Opioid crisis
- Teen Age Vaping
- Sleep Apnea
- Xerostomia - Dry Mouth
- Do-it-yourself and mail order orthodontic products

Why We Don’t Go to the Dentist

In the last 12 months



Oral health and well-being in the United States, ADA Health Policy Institute

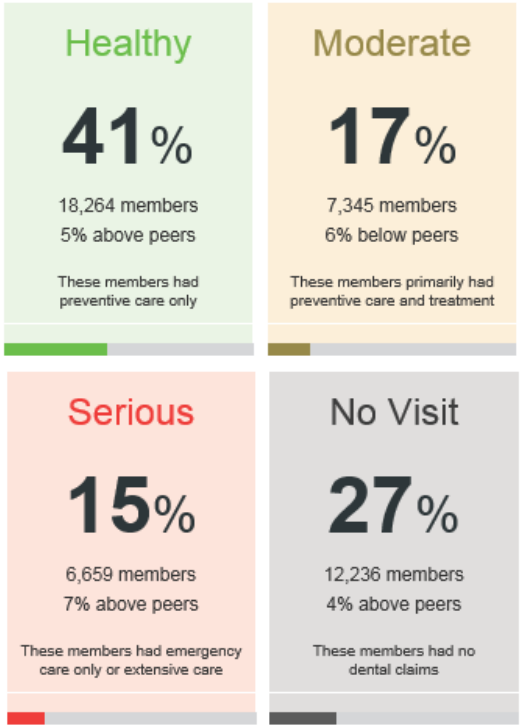
Delta Dental Commitment

- Member experience exceeds expectations
- Broad network access and competitive provider contracting for employers and team members
- Consumer education – preventive health matters
- Member materials that address the oral health connection to systemic illnesses

Examples: Diabetes, cardiovascular disease, respiratory illness, pregnancy

Dental Action Report

- Unique only to Delta Dental
- Two full years of experience is required for this report
- Members are placed in categories based on utilization
- Identifies behavior patterns to help improve results
- Opens discussion for plan enhancements targeting members needs
- Creates opportunities for oral health education and engagement
- Gives insight beyond paid claims data



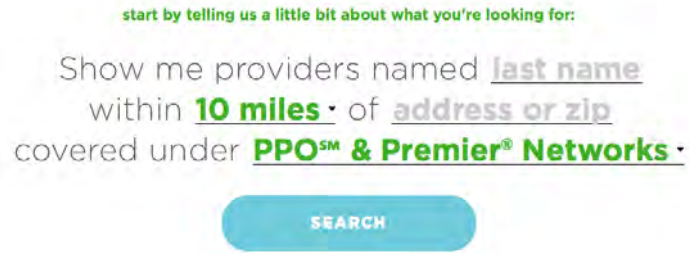
Delta Dental of Minnesota Web Resources

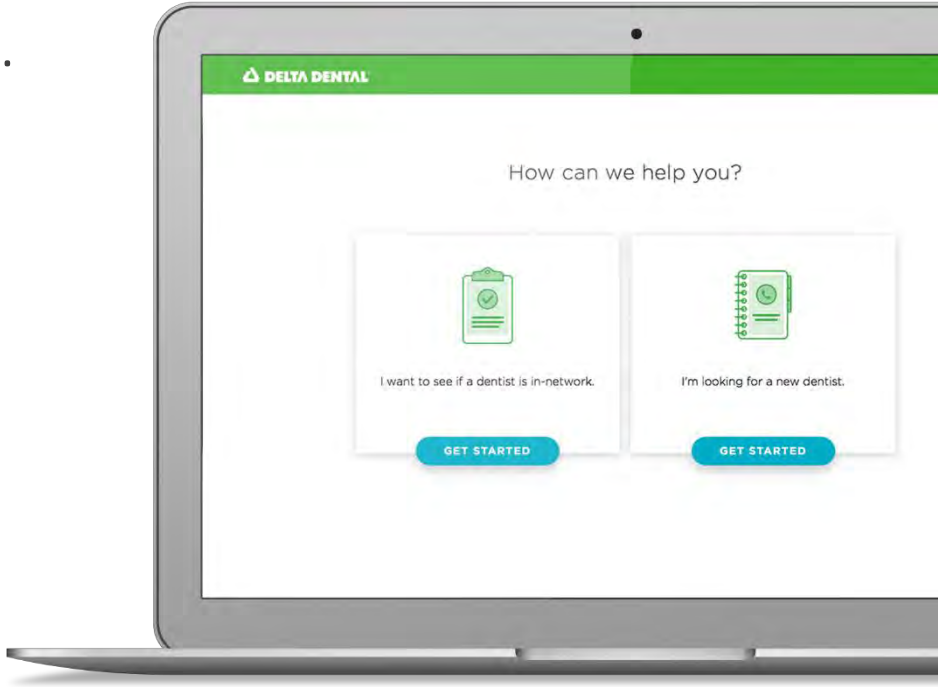
- Quick access for employers & members to useful pages customized for them
- Access to our Find-A-Dentist Tool
- Oral health resources for adults, children & families

DELTA DENTAL

Find a Dentist Tool

Users have the option to search for a new dentist or see if their dentist is in-network.



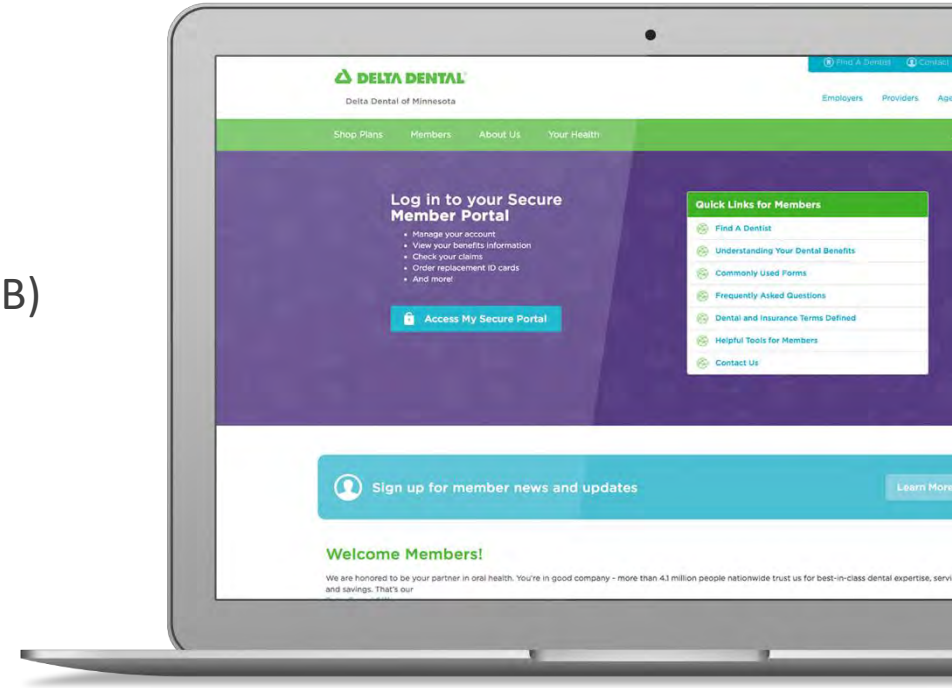


Users can search by any or all of the following: location, name and network. In-depth results show providers and clinics, proximity of public transit, accessibility and more.

Members Page

DeltaDentalMN.org/members

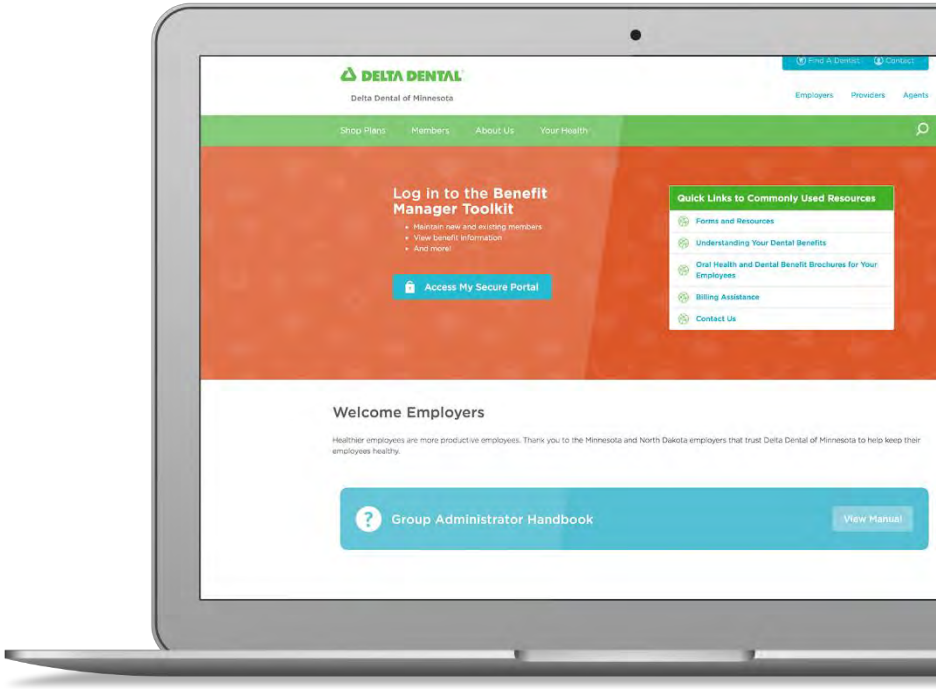
- Quick access to the member portal
- View and print ID card
- View and print Explanation of Benefits (EOB)
- Choose to only receive electronic EOBs
- FAQs, network descriptions, forms and additional resources
- Oral health resources
- Dental Insurance 101 webpage



Employers Page

DeltaDentalMN.org/employers

- Quick access to the employer portal
- Commonly used forms, including enrollment and billing
- Link to oral health information for Employers



Connect With Us

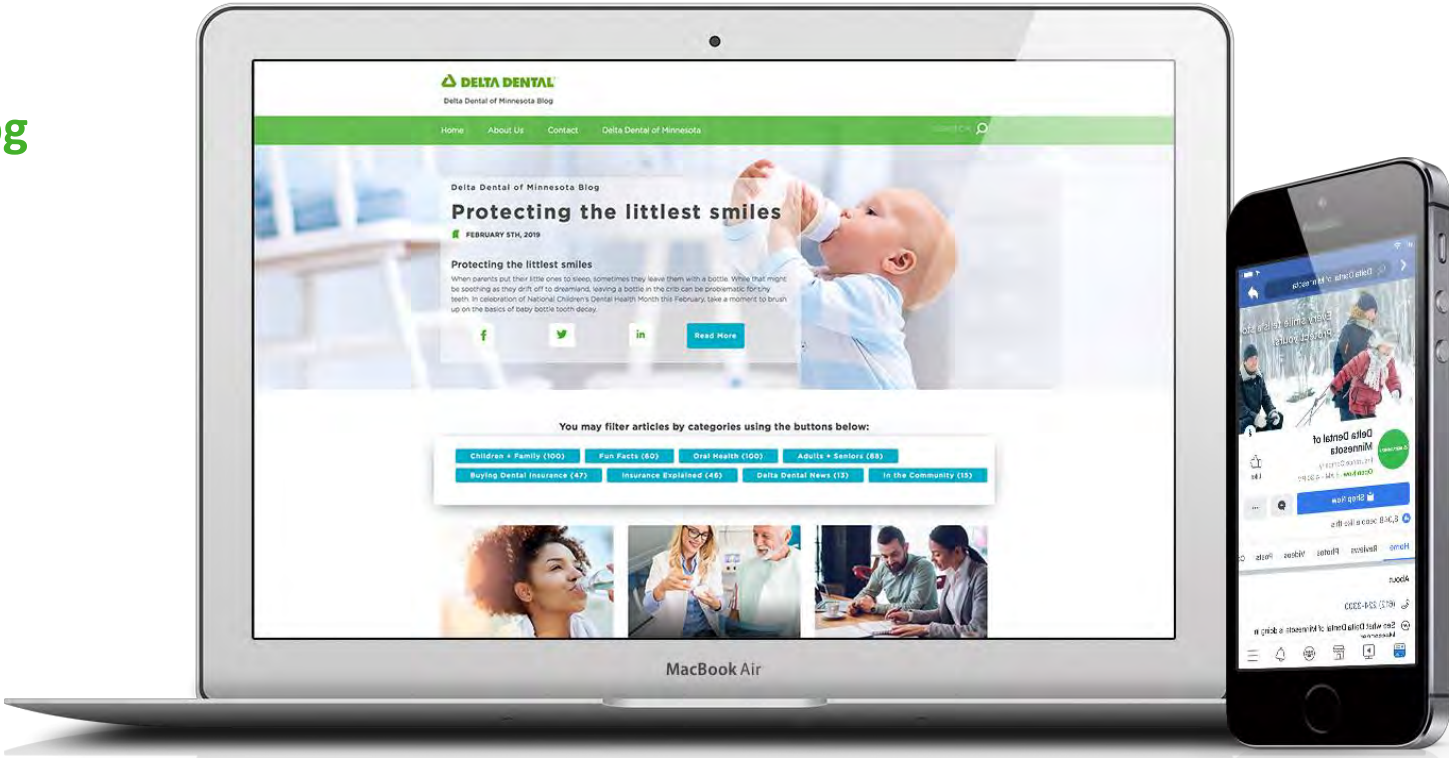
DDMN Blog

Facebook

LinkedIn

Instagram

You Tube



Thank you!

Thank you for choosing Delta Dental of Minnesota as your partner in maintaining good oral health. We appreciate your ongoing business and we look forward to continuing our commitment to excellent service and quality dental benefits for you and your employees.

DELTA DENTAL®

Delta Dental of Minnesota

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Memorandum

TO: NDPERS Board

FROM: Derrick Hohbein

DATE: April 14, 2020

SUBJECT: Consultant Fees for the Quarter Ended March 2020

Attached is a quarterly report showing the consulting, investment, and administrative fees paid during the quarter ended March 2020.

Attachment

Attachment

North Dakota Public Employees Retirement System
Consulting/Investment/Administrative Fees
For the Quarter ended March 31, 2020

	Program/Project	Fee Type	Jan-20	Feb-20	Mar-20	Fees Paid During The Quarter	Fees Paid Fiscal Year-To-Date
Actuary/Consulting Fees:							
Mid Dakota Clinic	Retirement Disability	Time charges	750	500		1,250	$ 3,350
Ice Miller	Legal fees Employee benefit matters			1,418		1,418	$ 16,553
Deloitte	Legislative Analysis					-	$ 5,537
Deloitte	Consulting			3,451		3,451	$ 20,945
Gabriel Roeder Smith & Company	Retirement	Fixed Fee				-	$ 71,000
Gabriel Roeder Smith & Company	RHIC	Fixed Fee				-	$ 13,200
Gabriel Roeder Smith & Company	GASB 67/68	Fixed Fee	21,500			21,500	$ 43,000
Gabriel Roeder Smith & Company	GASB 74/75	Fixed Fee	4,000			4,000	$ 8,000
Gabriel Roeder Smith & Company	Projections	Fixed Fee	10,000			10,000	$ 20,000
Gabriel Roeder Smith & Company	Retirement	Time Charges	1,733	1,650	3,795	7,178	$ 32,409
Gabriel Roeder Smith & Company	RHIC	Time Charges				-	$ 2,880
Gabriel Roeder Smith & Company	Deferred Comp	Time Charges				-	$ 3,188
Gabriel Roeder Smith & Company	Flexcomp	Time Charges				-	$ 5,100
Audit Fees:							
Clifton Larson Allen	Annual Audit Fee	Fixed Fee	44,250	17,000		61,250	$ 107,250
Website Maintenance							
MABU	Website Redesign	Time Charges				-	$ 404
Legal Fees:							
ND Attorney General	Administrative	Time charges	1,089	1,834	3,187	6,109	$ 23,476
Investment Fees:							
SIB - Investment Fees	Retirement (DB)	% Allocation	213,639	708,132	*	921,771	$ 5,173,236
SIB - Investment Fees	Ret Health Credit	% Allocation	3,114	2,177	*	5,291	$ 224,383
SIB - Investment Fees	Insurance	% Allocation	872	3,606	*	4,478	$ 27,333
SIB - Administrative Fees	Retirement (DB)	% Allocation	26,972	52,162	*	79,134	$ 376,888
						1,010,674	$ 5,801,840
Administrative Fee:							
Sanford Health Plan	Health Plan	Fixed fee	2,240,811	2,250,434	*	4,491,246	$ 17,852,860

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Memorandum

TO: NDPERS Board

FROM: Shawna Piatz

DATE: April 14, 2020

SUBJECT: Audit Committee Chair Position

As you know, Mark Dosch resigned as chairman of the Board in February 2020. Since he held the chair position on the Audit Committee, a new chair will need to be appointed. This also leaves a vacancy on the Audit Committee and a new member may be appointed.

The Audit Committee Charter states, “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 should attempt to appoint committee members who are knowledgeable and experienced in financial matters, including the review of financial statements.”

Current Audit Committee members are as follows:

- Adam Miller
- Mylynn Tufte
- Senator John Grabinger
- Julie Dahle – member at large

In March, Scott presented the memo and suggested moving this to April as the new Board chair will be present at that time and the next audit committee meeting isn’t until May.

Board Action:

Request appointment of Chair position for the Audit Committee and consideration to appoint an additional Audit Committee member.

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Memorandum

TO: NDPERS Board

FROM: Derrick Hohbein

DATE: April 14, 2020

SUBJECT: Business System Upgrade Statement of Work Contract

At the March meeting, the Board approved the use of $148,000 in contingency funds to upgrade our PERSLink Line-of-Business (LOB) application to the Model-View-View-Model (MVVM) platform. Attachment 1 is a Statement of Work (SOW) drafted by Sagitec representatives that was reviewed by NDPERS legal staff. This SOW is similar to the SOW that was used to upgrade our member and employer portals to the MVVM platform as well.

Board Action Requested:

Approve the contract amendment for upgrading our LOB application. Also approve the Executive Director's signing of the contract amendment.

Attachment

Statement of Work

Introduction

This Statement of Work No. 2020-01 ("SOW") is delivered in accordance with the Maintenance and Support Service Level Agreement (the "Agreement") dated July 1, 2019, by and between Sagitec and North Dakota Public Employees Retirement System (NDPERS). This SOW is subject to all the terms and conditions of the Agreement.

This SOW describes the scope of work for the MVVM (Model-View-View-Model) Upgrade project for NDPERS.

Objectives

NDPERS desires Sagitec to perform an "As-is" conversion of their PERSLink Line-Of-Business (LOB) application, developed on the Sagitec Framework, to Sagitec's MVVM platform.

Staffing

Sagitec shall assign a team of resources to upgrade the PERSLink LOB application to the MVVM platform. This team would contain a mix of onsite and offsite resources as determined by Sagitec

Statement of Tasks

- The MVVM Upgrade project will upgrade the NDPERS PERSLink LOB application to the MVVM Platform.
    - This MVVM upgrade will be an "as-is" conversion, i.e., the existing business functionality will be converted as is. The conversion process will not add any new business functionality to the PERSLink LOB application.
    - The PERSLink LOB application's user interface (UI) will not be a responsive User Interface (UI).

System Requirements

- NDPERS will provide Sagitec access to NDPERS's systems, as needed so that Sagitec's resources can reasonably complete their assignments.

Assumptions and Dependencies

- For the MVVM Upgrade Project
    - NDPERS understands that MVVM conversion will require NDPERS users and members to use browser versions that support HTML5 like IE10 or higher, latest versions of Firefox, Chrome, etc.
    - The MVVM conversion project will not affect/impact the day to day support of the PERSLink application.

- Sagitec will be responsible for the design, development, system testing, UAT support, and deployment for system test, UAT, and production environments.
- During User Acceptance Testing, any non-conformity reported by NDPERS will be logged as PIRs. Sagitec will fix all reported PIRs related to the MVVM Upgrade Project and submit them back to NDPERS for re-test. NDPERS will re-test each reported PIR and will either accept the fix or report back any outstanding issues within five business days. If NDPERS does not report any outstanding issue with the reported PIR within five business days, PIR will be deemed complete and accepted.
    - Any PIRs not related to the MVVM Upgrade project such as existing application issues identified during the MVVM upgrade project will be handled as part of regular maintenance and support. These issues would not be in scope of the MVVM upgrade project.
- NDPERS may agree to accept the MVVM upgrade with unresolved PIR's. Any unresolved PIRs related to the MVVM Upgrade Project, which exist at the time of production migration, will be resolved by Sagitec at no additional cost to NDPERS.
- Once all reported PIRs of the MVVM Upgrade project are fixed, and NDPERS Management signs off on the completion of the project, the MVVM Upgrade project will be deemed accepted. PIRs raised after the acceptance criteria has been met, will be taken up as part of regular application support activities.
    - The project schedule start and end dates, UAT timelines will be mutually agreed upon by NDPERS and Sagitec. The LOB MVVM Upgrade Project is scheduled to start on 04/20/2020 and completed by 08/08/2020.

Statement of Cost

- NDPERS will pay Sagitec a fixed amount of $148,000.00 for the MVVM Upgrade project.
    - Sagitec will invoice NDPERS in two installments of $74,000.
        - The first invoice will be submitted upon commencement of the MVVM Upgrade project
        - The second invoice will be submitted upon the NDPERS acceptance of the MVVM Upgrade project completion.
- This Statement of Cost also includes the technical training time for the NDPERS technical team to be trained on the MVVM platform.
    - This training will be an offsite instructor lead training conducted using web conference services like Skype or GoTo meeting for a maximum of 2 hours over a two-day period.
    - Sagitec recommends planning for this training either at the start of the UAT phase or during the UAT phase of the MVVM Upgrade project.

Statement of Work Acceptance

Accepted by:

NDPERS:

_____

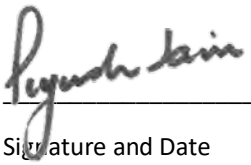
Signature and Date

Sagitec:

Piyush Jain

Senior Partner

Sagitec Solutions



March 25, 2020

_____

Signature and Date

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Memorandum

TO: NDPERS Board

FROM: Scott

DATE: April 14, 2020

SUBJECT: Legislation

I have submitted the legislative bill drafts that the Board approved last month to the Legislative Council. In the meantime, staff has been working on the Health Plan RFP, and attempting to quantify potential staffing needs and additional administrative costs if we were to move to a self-insured medical/Rx health plan, whether bundled or unbundled. That has been a daunting task, and we continue to struggle with that determination. We are going to reach out to our surrounding states to see how they are set up, including staffing and what responsibilities they have retained or contracted away.

In the meantime, given the requirement that the Legislative Employee Benefits Programs Committee take jurisdiction of and evaluate proposed legislation over the remainder of this year, I would suggest submitting the attached bill draft in place of the current Part D Exemption bill draft. In addition to the Part D Exemption, the new version grants NDPERS a continuing appropriation of moneys in the health plan fund (what we have been calling our reserve fund) to pay administrative expenses for and retain FTEs to administer a self-insurance plan. If approved, that would allow us some flexibility in creating the most efficient and customer-focused structure to administer a self-insurance health plan. The Board's fiduciary responsibility to be prudent in its use of those funds would provide the limits of the use of those monies.

BOARD ACTION REQUESTED: Approve or disapprove the submission of the attached proposed bill draft.

Attachment

Sixty-seventh
Legislative Assembly
of North Dakota

BILL NO.

Introduced by

(At the request of the Public Employees Retirement System)

A BILL for an Act to amend and reenact section 54-52.1-04.2 and subsection 3 of section 54-52.1-04.16 of the North Dakota Century Code, relating to the public employees retirement system's uniform group insurance programs for self-insurance and for part D contracts with pharmacy benefit managers; and to provide a continuing appropriation.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. AMENDMENT. Section 54-52.1-04.2 of the North Dakota Century Code is amended and reenacted as follows:

54-52.1-04.2. Self-insurance health plan - Continuing appropriation.

1. This section applies to a self-insurance health plan for:
   a. Health insurance and prescription drug benefits coverage;
   b. Health insurance benefits coverage, excluding all or part of prescription drug benefits coverage; or
   c. All or part of prescription drug benefits coverage.
2. Except for prescription drug coverage under subdivision c of subsection 1, a self-insurance health plan established by the board under this section must be provided under an administrative services only (ASO) contract or a third-party administrator (TPA) contract under the uniform group insurance program. The board may not establish a self-insurance health plan unless the board determines the self-insurance health plan best serves the interests of the state and the state's eligible employees. Except for prescription drug coverage under subdivision c of subsection 1, if the board determines it is in the best interest of the plan, individual stop-loss coverage insured by a carrier authorized to do business in this state may be made part of a self-insurance health plan.

3. Money in the separate uniform group insurance fund created under section 54-52.1-06 is appropriated to the board on a continuing basis to establish, provide, and administer a self-insurance health plan and to hire full-time equivalent positions as necessary to administer a self-insurance health plan.

SECTION 2. AMENDMENT. Subsection 3 of section 54-52.1-04.16 of the North Dakota Century Code is amended and reenacted as follows:

3. ~~If~~Except for Medicare part D, 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.

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Memorandum

TO: NDPERS Board

FROM: Scott

DATE: April 14, 2020

SUBJECT: COVID-19 Update

This is a placeholder for staff to provide the Board with information on developments related to the COVID-19 pandemic. We will review staff operations since the Governor's order to close state offices and other topics related to the pandemic.

One topic we will discuss is the impact of the CARES Act on our plans. As you may have heard, the CARES Act granted plan sponsors some discretion on making changes to plan loan provisions and coronavirus-related in-service withdrawals of plan assets, including hardship distributions from 457 accounts, and the waiver of required minimum distribution requirements through 2020.

We do not have any loan provisions in any of our plans, so those changes were completely inapplicable to us. The other provisions would apply to us if we were able to accommodate them. However, since they are permissible, rather than mandatory, NDCC section 54-52-23 does not seem to apply.

> **54-52-23. Savings clause - Plan modifications.** If the board determines that any section of this chapter does not comply with applicable federal statutes or rules, the board shall adopt appropriate terminology with respect to that section as will comply with those federal statutes or rules, subject to the approval of the employee benefits programs committee. Any plan modifications made by the board pursuant to this section are effective until the effective date of any measure enacted by the legislative assembly providing the necessary amendments to this chapter to ensure compliance with the federal statutes or rules.

Accordingly, I do not believe we could implement those changes without legislative action next session.

The CARES Act also changed some aspects of the flexcomp program. Rebecca will address those in her update on the flexcomp program.

Telehealth has also received a lot of deserved attention over the past few weeks. There has been some dispute regarding whether occupational therapy (OT), physical therapy (PT), and speech therapy (ST) telehealth visits should be covered by insurance. As you might imagine, some OT and PT require hands-on therapy, which would be impossible via telehealth. Nonetheless, after significant discussion with the Insurance Department and its own experts, Sanford Health Plan has determined it will cover appropriate OT, PT and ST telehealth visits.

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Memorandum

TO: NDPERS Board

FROM: Review Committee

DATE: April 14, 2020

SUBJECT: Executive Director Evaluation

Representative Jason Dockter, Casey Goodhouse and Kim Wassim were on the Executive Director Review Committee. Attached is the evaluation form with the ratings. Five Board members provided input, along with input from both Internal Auditor Shawna Piatz and Executive Director Scott Miller on certain criteria. The overall average rating was 2.4 on a scale of 3, with 3 being the highest rating.

The Legislative Assembly granted salary increases of 2.5% for the second year of the 2019-2021 biennium, to be distributed on a performance basis.

Scott's current salary is $14,366.67 per month. The Committee met to discuss the performance evaluation and has recommended a 2.5% salary increase. That would raise Scott's salary to $14,725.84 per month.

Board action is requested on the Committee recommendation.

Attachment

NDPERS Executive Director For the Year: 2019 Completed in 2020

There are nine major evaluation categories. When evaluating, rate each using the following categories **(indicate a rating of 1, 2, or 3 in each evaluation category)**:

1. DOES NOT MEET EXPECTATIONS: Executive Director is not performing acceptably and expectations are not being met. Goals for improvement must be set and performance review date established (3-6 months).

2. MEETS EXPECTATIONS: Executive Director is performing acceptably and is meeting all standards and expectations.

3. EXCEEDS EXPECTATIONS: Executive Director is performing beyond and exceeds the established standards and expectations

CIE - Critical Job Element	Expectation	Rating	Comments CG: For all areas where I indicated a score of 2 (Meets Expectations): From an HR perspective there are many tasks that are either done or not done, it either meets expectations or it doesn't, and there is no way to "exceed" expectations in some areas that are very black and white. (For example, is the report done annually, yes or no.) My rating of 2 is not at all intended to reflect that there is room for improvement. I feel that Scott is definitely exceeding expectations overall.	AM	CG	JD	MD	MT	KW	JG	TS	YS	internal audit	Scott self eval
Category 1 Board Meetings	1. Agenda items are prepared with supporting information.	**2.2**	CG: I feel this is a task that's either done or it's not (1 or 2). My rating of 2 is not at all intended to reflect that there is room for improvement here. KW: Always plenty of information for me to make a decision. Appreciate the discussion during the board meetings. I really like the board summary memo with options to consider and staff recommendations.	2	2	2			3			2		
	2. Board materials are distributed at least 3 days before the meeting.	**2.4**	KW: Yea Jan! I have plenty of time to review board materials. Occasionally will receive materials shortly before or at the board meeting. However, we discuss those items thoroughly at the board meetings.	2	2	3			3			2		
	3. Appropriate information is provided to Board either orally/verbally to aid the Board in arriving at a decision.	**2.8**	CG: Exceptional - I really appreciate that Scott provides thorough information without pressuring the Board to go one direction or another on decisions. YS: Presentations to the Board are comprehensive and clear. KW: I have felt comfortable making the decisions I have made over the last year due to the information provided to me either in board materials or discussion at the board meetings.	2	3	3			3			3		
	4. Board material identifies items, which need "Board Action", and makes a staff recommendation where appropriate.	**2.6**	AM: Scott identified an area where the Board needed to take action with the TIAA investments that many of us did not think of. Without Board action board members were at risk of being delinquent in our fiduciary duty. KW: This is very helpful to me. I trust and rely on memos summarizing issues, stating options, and providing staff recommendations.	3	2	3			3			2		
	5. Education is provided at Board meetings in order that Board may adequately perform their policy setting role.	**2.4**	CG: Exceptional KW: The board has received more education at board meetings which I really appreciate. I have enjoyed the presentations on the various benefit programs. Would like to see board education at every meeting. Doesn't have to be long or just on benefit programs…could be an update on our business system, the role of Chief Audit Officer, etc. I think we are due to receive fiduciary training again with new board members and recent incident at a board meeting.	2	3	3			2			2		
		2.5	**average rating category 1**	**2.2**	**2.4**	**2.8**	**0.0**		**2.8**		**0.0**	**2.2**		
Category 2 Board Relations	1. The Director is responsive to Board requests.	**2.8**	AM: I've always gotten a positive response from Scott on issues I bring to his attention very quickly. CG: Very responsive and this is so much appreciated! KW: Scott always gets back to me promptly either by email or phone call. Sometimes almost immediately, which is not necessary.	3	3	3			3			2		
	2. The Director is adaptable to Board direction on PERS policy and able to work with the board as a team member.	**2.6**	KW: Scott and the board are partners in the success of PERS (as are all the staff). He is willing to go back and get additional information for the board.	2	3	3			3			2		
	3. The Director keeps Board members aware of current issues and when appropriate provides information to Board members between board meetings.	**2.8**	YS: Very proactive in providing "heads up" on issues. KW: I have never felt "caught by surprise" by any board related issues. For example, I appreciate that Scott was in contact with us immediately about the deaths of staff in the office.	2	3	3			3			3		
	4. The Director provides timely and accurate problem identification to the Board as well as providing solutions and options for the Boards consideration.	**2.6**	YS: Options are very well articulated. KW: I feel Scott is often thinking ahead to be proactive on issues. For example, recommending hiring a consultant to assist the Investment Subcommittee in evaluating and choosing investment products. Just because we have "always done it that way", doesn't make it the right way.	2	3	2			3			3		

		2.70	**average rating category 2**	**2.25**	**3.00**	**2.75**	**0.00**		**3.00**		**0.00**	**2.50**		
Category 3 Operations	1. **Accurate Records**													
	1.1 Maintain appropriate, accurate and accessible data for individual members and benefit recipients.	**2.2**	KW: Accuracy is always important. Believe Scott has put in additional checks and balances and staff to avoid errors and appeals to the board.	2	2	3			2			2	2	2
	1.2 Accurate accounting records and a system of internal controls is maintained to result in an annual, unqualified opinion by the System's auditor.	**2.2**	KW: The Chief Audit Officer seems satisfied with this area.	2	2	3			2			2	2	2
	1.3 An application to GFOA for the Certificate of Achievement for Excellence in Financial Reporting is submitted annually.	**2.2**	SM: Application submitted for the 2019 CAFR KW: Has PERS achieved this?	2	2	3			2			2	2	2
	1.4 The Public Pension Coordinating Council's Award of Excellence is submitted biennially.	**2.4**	KW: Congratulations on achieving this award!	2	2	3			3			2	2	2
	2. Biennial Budget													
	2.1 Biennial budget is prepared pursuant to OMB guidelines and submitted pursuant to guidelines established by the Governor.	**2.2**	KW: I would like to spend more time understanding and discussing the budget this year.	2	2	3			2			2	2	2
	2.2 Board is provided opportunity to review the budget before it is submitted.	**2.2**	KW: See comment above.	2	2	3			2			2	2	2
	2.3 Expenditures for budget items do not exceed appropriation without approval of the Board.	**2.6**	AM: The Board is always very well informed on budgetary matters. KW: Appreciate the thorough discussion at the board planning meeting and recent board meeting about using funds to upgrade our business system.	3	2	3			3			2	2	2
	3. Timely and Understandable Service													
	3.1 Member inquiries are responded to in a timely manner. (Survey information shall be reported to the board relating to this from the "How are we doing" cards and the biennial survey).	**2.4**	SM: We have had more delays than we would like, which is part of the reason we proposed creating a call center and having a dedicated front-desk person. KW: I understand response times to members have increased due to all the staff turnover in the last year (retirements, promotions, deaths.) I know this will get better as staff become oriented to their new jobs. I am very supportive of hiring a receptionist for the front office. It would be helpful to provide member survey results with this process so I could better evaluate this duty.	2	3	3			2			2	2	2
	3.2 Participating employers shall be provided the necessary support to administer the PERS programs in which they participate. (Biennial surveys shall be done relating to this and reported to the Board).	**2.2**	CG: Having worked directly in agency HR for several years, I have seen many years of frustrated employees and payroll staff who struggled with communications with PERS and mixed messages. I myself personally received mixed messages when asking the exact same question to different counselors and tried for a long time to have this taken seriously and addressed. I am not sure what the root of those issues were but can say I have seen a significant and positive change in this over the past year. Their approach to best practices, getting policies and procedures in order, training staff, and reorganizing the agency are all making things better for members and agencies. KW: I presume this is being done. Maybe we should be doing these surveys on an annual basis to get more timely feedback. As with member surveys, it would be helpful to provide the employer survey results with this process so I could better evaluate this duty.	2	2	3			2			2	2	2
	4. Staffing													
	4.1 All applicable personnel rules of the State of North Dakota shall be followed.	**2.2**	KW: Continue to work closely with your HRMS HR Officer, Sara Leno. She is very knowledgeable about HR laws, rules, policies, etc.	2	2	3			2			2	2	2
	4.2 Staff performance evaluations are completed at least annually.	**2.2**	KW: I presume this is being done.	2	2	3			2			2	2	2
	4.3 Employee's receive recognition, direction or discipline as appropriate.	**2.4**	SM: I think we are doing a much improved job in this regard. We implemented the "Kudos Box" over a year ago, and staff has really supported that effort. I believe we have also been much more clear with staff whose efforts are falling below our expectations. YS: Based on comments of employees, it appears that Scott has taken over the reins in an exemplary fashion. KW: I like the idea of a Kudos box and that Scott brings treats to the office and puts them in his office so staff interact with Scott more! Again, use Sara Leno as needed. She is very experienced in all things HR!	2	2	2			3			3	3	3
		2.3	**average rating category 3**	**2.1**	**2.1**	**2.9**	**0.0**		**2.3**		**0.0**	**2.1**	**2.1**	
Category 4 Investment Programs	1. **Maintain board approved Investment Objectives and Policies for**:													
	1.1 The defined benefit plan	**2.2**	KW: I have to rely on the Investment Subcommittee for evaluation of this duty. Based on Scott's previous experience, he seems very knowledgeable in this area.	2	2	3			2			2		
	1.2 The defined contribution plan	**2.0**	KW: I have to rely on the Investment Subcommittee for evaluation of this duty.	2	2	2			2			2		

	1.3 The deferred compensation plan	**2.0**	KW: I have to rely on the Investment Subcommittee for evaluation of this duty.	2	2	2			2			2		
	2. Performance														
	2.1 Produce and report investment return information for the defined contribution plan and the PERS Companion Plan.	**2.2**		2	2	**3.0**			2			2		
	2.2 Accurate yearly reports are given to the Board concerning the defined benefit plan and its progress and compliance with the investment policies.	**2.6**	YS: Overall, Scott works very well in cooperation with RIO and with our PERS Investment Subcommitte to assure that our fiduciary responsbilites are upheld in regard to performance. He provides valuable insight; he is pro-active, and he communicates clearly. KW: I appreciate that Scott has brought in experts (our actuaries) to provide information to the board in this area.	2	2	3			3			3		
	2.3 Advice and recommendations are given to the board on investment matters to support Board decision making.	**2.4**	KW: I rely on the Investment Subcommittee to provide this information to the board.	2	2	3			2			3		
	2.4 Recommend corrective actions including termination of funds in the deferred comp plan and the defined contribution plan.	**2.2**	KW: Rely on the Investment Subcommitte to provide this information.	2	2	3			2			2		
	3. Provider Monitoring														
	3.1 Monitor the various providers in the defined contribution plan and deferred compensation to insure that all contract provisions are being followed.	**2.2**	KW: I presume this is being done. I am eager to push forward on having these providers sign fidicuary agreements.	2	2	3			2			2		
	3.2 Identify and report to the board all infractions of the contract provisions.	**2.2**	KW: I presume this is being done.	2	2	3			2			2		
	4. Fiduciary Standards														
	Discharge investment duties solely in the interest of the members and benefit recipients With the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims.	**2.6**	CG: Scott takes his fiduciary responsibility seriously and to heart. He knows this inside and out and reminds the board of their fiduciary role often and timely. We are on the board as fiduciaries, not representing the wishes of a certain group or agency. I appreciate that Scott carefully keeps a pulse on this and gives the group a reminder if and when needed. YS: Excellent grasp of and dedication to safe guarding the integrity of PERS benefits. KW: I am confident that Scott is acting in the best interest of our members. The board needs current fiduciary training due to new board members and recent incident at a board meeting.	2	3	3			2			3		
		2.3	**average rating category 4**	**2.0**	**2.1**	**2.8**	**0.0**		**2.1**		**0.0**	**2.3**		
Category 5 Benefit Program Operations	1. **Actuarial Management**														
	1.1 Provide accurate member, retiree and asset data necessary for the Actuary to perform the annual actuarial valuation for the four PERS defined benefit plans.	**2.2**	KW: I presume this is being done. I appreciate that when Scott realized during the 2019 legislative session that he had been given inaccurate information by our actuary, he quickly recognized and rectified the situation and a new actuary was assigned to PERS from our consultant.	2	2	3			2			2	2	2
	1.2 Provide accurate member and retiree data for the actuary to perform biennial premiums estimates for the group insurance plans.	**2.2**	KW: Continued accuracy is important.	2	2	3			2			2	2	2
	1.3 Maintain knowledge of actuarial methods, the current status of the actuarial makeup of the various retirement and group insurance plans and the impact of benefit enhancements to the contribution rates.	**2.6**	SM: I think we are doing a much improved job in this regard. We implemented the "Kudos Box" over a year ago, and staff has really supported that effort. I believe we have also been much more clear with staff whose efforts are falling below our expectations. CG: Scott's background and knowledge in this area are a real strength and asset to our Board! KW: Scott has extensive knowledge and experience in this area. It's impressive when the Chief Audit Officer gives Scott a 3 in this area! I think a Chief Audit Officer would be hard to please!	2	3	3			3			2	3	3
	1.4 Provide actuarial information to the Board, Legislature, employers, members and retirees so they have sufficient background to make knowledgeable decisions.	**2.6**	YS: Scott has excellent knowledge and skills in this arena, and has done a super job of educating the board. KW: Because of Scott's knowledge and experience in this area, he has a way of making this topic interesting and understandable to all. As a layperson, this is greatly appreciated!	2	2	3			3			3	3	2
	2. Contract Management														

	2.1 Distribute and analyze bids for services for the various retirement, group insurance, EAP and Flex Programs to facilitate Board decision making.	**2.4**	KW: I have always felt this process was very thorough.	2	2	3			3			2	2	2
	2.2 Monitor contractor performance and advise the Board of any issues, including options for responding and recommended action plan.	**2.4**	KW: Based on the comment above regarding the actuary consultant, I believe Scott is on top of these issues.	2	2	3			3			2	2	2
	2.3 Provide direction to all contractors to insure that board objectives are achieved.	**2.2**	KW: Presume this is being done.	2	2	3			2			2	2	2
	2.4 Insure that all contractors comply with contract provisions, state law and administrative rules.	**2.2**	KW: Presume this is being done.	2	2	3			2			2	2	2
		2.4	**average rating category 5**	**2.0**	**2.1**	**3.0**	**0.0**		**2.5**		**0.0**	**2.1**	**2.3**	
Category 6 Public Relations	1. Publish a newsletter at least semiannually.	**2.2**	KW: I think this could be done quarterly and emailed to our members or posted on our website. Perhaps shorter but more frequent communication to our members. Would like us to aggressively gather as many emails as possible from our members. There can't be that many people who don't have emails anymore.	2	2	3			2			2		2
	2. Provide informational programs to employers, members, retirees, and public groups.	**2.2**	KW: I would like to see more frequent member and retiree communication.	2	2	3			2			2		2
	3. Represent the System with appropriate affiliate organizations and functions.	**2.4**		2	3	3			2			2		2
	4. Maintain availability to the news media.	**2.4**		2	3	3			2			2		2
		2.3	**average rating category 6**	**2.0**	**2.5**	**3.0**	**0.0**		**2.0**		**0.0**	**2.0**		
Category 7 Legislative Relations	1. Develop Legislative proposals in concert with the Board and its advisory committee.	**2.0**	KW: Scott and staff provide proposals to the board. I don't think we should be providing multiple proposals to the legislature on getting the pension to 100% funded. I think we should take the actuary's projection to get to 100% in 30 years and provide this one pension funding request to the legislature. That is our fiduciary responsibility. No matter what idea(s) we propose, the legislature will have their own ideas.	2	2	2			2			2		
	2. Present requests for legislative changes to the Legislature.	**2.4**	KW: I have observed Scott testifying to the legislature and he is excellent in this area.	2	2	2			3			3		
	3. Make the Boards position known to members, employers and the legislature.	**2.6**	KW: Scott does a good job of communicating to all of these groups from what I have observed.	2	3	3			3			2		
	4. Keep the Legislature, through the Interim Committee informed regarding the financial, legislative and administrative status of the system.	**2.4**		2	2	3			2			3		
	5. Develop adequate rapport with Legislators so that the legislative body as a whole has a sense of credibility with the positions taken by the Board on behalf of the System.	**2.6**	CG: Excellent. YS: Scott has gained credibility very quickly and is able to represent PERS interests very well. KW: I believe that in the one legislative session Scott has participated in, he is developing the relationships necessary to establish credibility with Legislators.	2	3	3			2			3		
		2.4	**average rating category 7**	**2.0**	**2.4**	**2.6**	**0.0**		**2.4**		**0.0**	**2.6**		
Category 8 Professional and Personal Development	1. Maintain membership and involvement in professional organizations.	**2.0**	KW: What professional organizations does Scott belong to?	2	2	2			2			2		2
	2. Maintain professional certifications.	**2.0**	KW: Is Scott able to maintain his law license? What about CEBS certification?	2	2	2			2			2		2
	3. Be dependable.	**2.6**	AM: A score of "2" in my mind for each of the categories is a 'good' score. A score of "3" is exceptional. The expectations for the Executive Director are high. To meet those expectations means a job well done. Keep up the good work.	2	3	3			3			2		2
	4. Exhibit stability/reaction to pressure.	**2.8**	SM: I believe this is one area that is greatly helped by my 20+ years as an attorney. It certainly helped both with the 2019 Legislative Assembly and the two tragedies we experienced over the past few months. YS: Exhibits calm, confidence, and compassion. KW: I believe Scott has been a calming presence to staff this last year with all the turnover/promotions and after the deaths of 2 staff members. I know he reached out to HR for assistance in dealing with the 2 staff deaths.	2	3	3			3			3		3