



# Board Meeting Agenda

**Location:** WSI Board Room, 1600 East Century Avenue, Bismarck ND  
By phone: 701.328.0950 Conference ID: 618 133 974#  
**Date:** Tuesday, August 15, 2023  
**Time:** 8:30 A.M.

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## I. MINUTES

- A. July 11, 2023

## II. CONFLICT OF INTEREST DISCLOSURE CONSIDERATION – Scott

## III. PRESENTATIONS

- A. State Government Ethics and Fiduciary Responsibility Presentation – Allyson Hicks
- B. Code of Ethical Responsibility – Scott (Board Action)
- C. Sanford Health Plan Executive Summary Quarter 1 2023

## IV. DEFERRED COMPENSATION / DEFINED CONTRIBUTION

- A. Recordkeeper Request For Proposal – Katheryne (Board Action)

## V. DEFINED BENEFIT

- A. Retiree Health Insurance Credit (RHIC) Program Contract Amendment – Rebecca (Board Action)

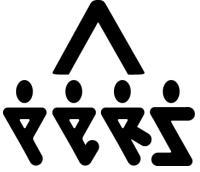
## VI. GROUP INSURANCE

- A. Administrative Services Agreement Exhibit B - Performance Guarantees – Rebecca (Board Action)
- B. Medicare Part D Renewal and Request For Proposal (RFP) – Rebecca (Board Action)
- C. FlexComp Voluntary Insurance Products – Rebecca – (Board Action)
- D. Vision Insurance Plan Update on Dakota Eye Institute – Rebecca (Information)
- E. Group Voluntary Vision Benefits Plan Contract – Katheryne (Board Action)
- F. Uniform Group Insurance Consultant Request For Proposal – Katheryne (Information)
- G. 2022 Active Health Care Report – Derrick (Information)

## VII. MISCELLANEOUS

- A. Budget Status – Derrick (Information)
- B. Contracts Under \$10,000 – Scott (Information)
- C. Assurance NM Testing – Scott (Information)
- D. Litigation Update **\*EXECUTIVE SESSION** – Scott (Information)

\*Executive Session pursuant to N.D.C.C. §44-04-19.1(2) & (5) for attorney consultation.



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# Memorandum

**TO:**                   NDPERS Board

**FROM:**               Scott

**DATE:**               August 15, 2023

**SUBJECT:**           Conflict of Interest Disclosure Consideration

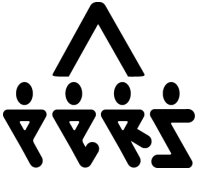
Allyson Hicks from the Attorney General's Office advised us a short while ago that this will need to be on the agenda every meeting for the Board to consider any conflict of interest disclosures we received concerning any of the agenda topics. Next on the agenda is a presentation from Allyson on the State Government Ethics code and review the conflict of interest disclosure form.

**Board Action Requested:** Address any conflict of interest disclosures submitted. This will be the same Board Action for this topic in future meetings.









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# Memorandum

**TO:**                   NDPERS Board

**FROM:**               Scott

**DATE:**               August 15, 2023

**SUBJECT:**           State Government Ethics and Fiduciary Responsibility  
Presentation

Allyson Hicks from the Attorney General's Office will give a presentation on the State Government Ethics Code and Fiduciary Responsibility, and review the conflict of interest disclosure form (attached).

# BOARD MEMBER ETHICS AND RESPONSIBILITIES

Allyson M. Hicks  
Assistant Attorney General  
General Counsel Division  
Office of Attorney General




## Two Questions:

1. What is your “job”?
2. How do you do your “job”?





# What is ND PERS's "job"?



The North Dakota Public Employees Retirement plan was established to ***"provide for the payment of benefits to state and political subdivision employees or to their beneficiaries*** thereby enabling the employees to care for themselves and their dependents and which by its provisions will improve state and political subdivision employment, reduce excessive personnel turnover, and offer career employment to high-grade men and women."



- ❖ Public employees give PERS (the State) money to participate in a retirement system.
- ❖ You (the Board) manage the system and, therefore, public employees' money.
- ❖ The employees *trust* you with the management of their money.

# IN LEGALESE.....

- The retirement plans are a **“trust”**
- North Dakota created the trust, so it is the **“settlor”**
- The employees who participate benefit from the trust, so they are the **“beneficiaries”**
- ND PERS is entrusted with managing the trust, so it is the **“trustee”**

# Now that we know your job....

How do you do your “job”?

# Now that we know your job....

How do you do your “job”?

In a normal job, you would consult your employee handbook.... But since this is a state agency, your “handbook” consists of:

# ND PERS "EMPLOYEE HANDBOOK"

Laws: North Dakota Century Code  
Chs. 54-52 through 54-52.6  
Titles 47-36, 59-16\*, 59-21

Rules: North Dakota Administrative Code  
Title 71

Policies: Adopted by ND PERS in accordance with statute

\* This is new- as a result of 2023 S.B. 2210

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# GENERALLY:

When you manage someone else's property, you have to manage it *for them, in their best interests.*



# GENERALLY:

When you manage someone else's property, you have to manage it *for their benefit*.

Not in yours.



# GENERALLY:

When you manage someone else's property, you have to manage it *for their benefit.*

Not yours.

Not your business'.



# GENERALLY:

When you manage someone else's property, you have to manage it *for their benefit*.

Not yours.

Not your business'.

Not the State.



# GENERALLY:

When you manage someone else's property, you have to manage it *for their benefit*.

Not yours.

Not your business'.

Not the State

Not your constituents.



# GENERALLY:

When you manage someone else's property, you have to manage it *for their benefit*.

Not yours.

Not your business'.

Not the State

Not your constituents.

**Only for their benefit.**

# IN LEGALESE....

The obligation to administer a trust (the retirement plans) for the benefit of the beneficiaries (the public employees participating in the plan) is called a “**fiduciary duty.**”

It is comprised of several individual fiduciary duties.

# FIDUCIARY DUTIES

Who makes these determinations?

How do you determine whether or not an action meets your fiduciary duties?



# FIDUCIARY DUTIES

Who makes these decisions? How do you determine whether or not an action meets your fiduciary duties?

THIS IS AN INDIVIDUAL OBLIGATION.





You have to make an assessment of whether a decision meets your fiduciary obligations. You, individually.

Boards are made up of individuals with differing backgrounds and opinions, inherently.



Staff cannot make the decision for you.

Other board members cannot make the decision for you.



Staff cannot make the decision for you.

Other board members cannot make the decision for you.

Only you can make these determinations because some of these will come down to opinion based on facts.



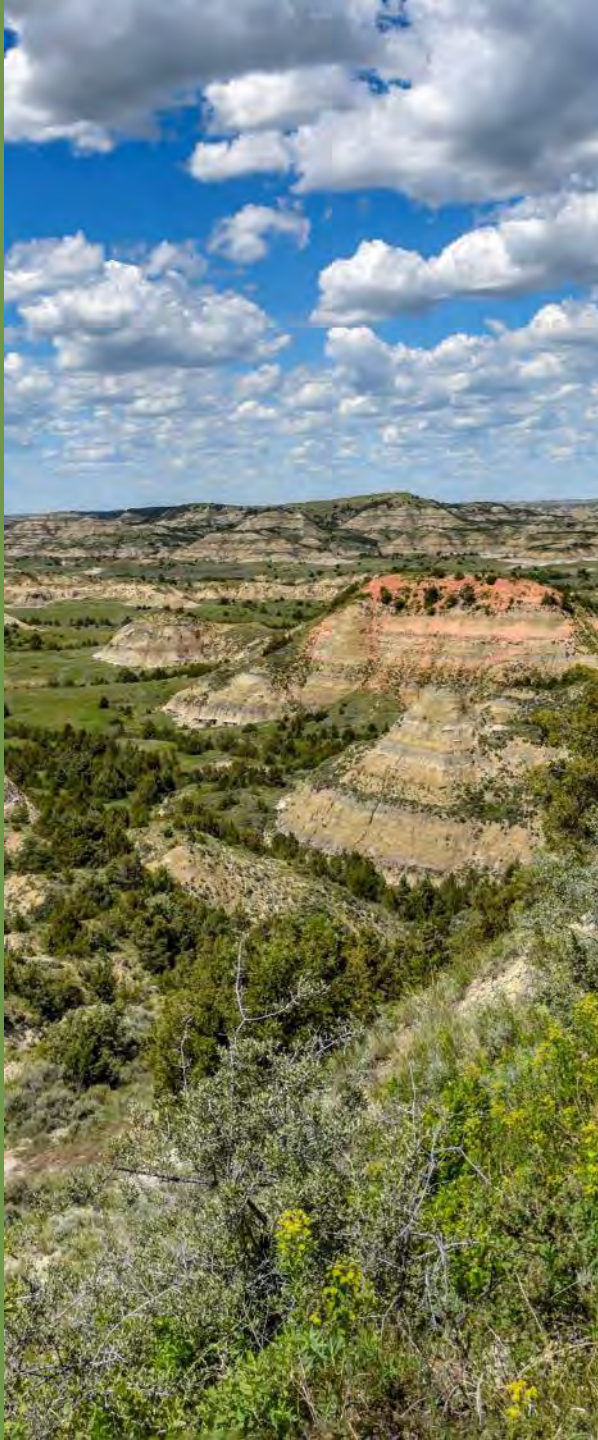


# FIDUCIARY DUTIES

- Duty of Loyalty: you will administer the trust in ***only*** the interests of the beneficiaries
- Duty of Care: you will administer the trust in good faith and with the care of an ordinarily prudent person in a like position
- Duty of Prudence: you must exercise reasonable caution in decision-making
- Duty of Obedience: follow the “handbook”

# FIDUCIARY DUTIES

- **Duty of Loyalty: you will administer the trust in *only* the interests of the beneficiaries**
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# DUTY OF LOYALTY

“All moneys from any source paid into any public employee retirement system fund created by the laws of this state must be used and invested ***only for the exclusive benefit of the members, retirees, and beneficiaries of that system***, including the payment of system administrative costs.”

N.D.C.C. § 54-52-14.3

# DUTY OF LOYALTY

- ❖ Part of administering a plan for the sole benefit of the participating employees is recognizing and disclosing conflicts of interest.
- ❖ North Dakota Ethics Commission
  - ❖ Article XIV of the North Dakota Constitution
  - ❖ Chapter 54-66 of the North Dakota Century Code
  - ❖ Title 115 of the North Dakota Administrative Code

# CONFLICTS OF INTEREST

2 kinds

- ❖ Conflicts of Interest
- ❖ Quasi-Judicial Bias

Managed in the same way procedurally, only difference is the type and the standard.



# CONFLICTS OF INTEREST: WHAT

- ❖ Regular conflict of interest: regular Board stuff
  - ❖ Gift from one of the parties
  - ❖ Significant financial interest in one of the parties or the outcome
  - ❖ Relationship in private capacity
- ❖ Quasi-Judicial bias: quasi-judicial stuff (think: will this lead to an OAH hearing?)
  - ❖ Gift from one of the parties
  - ❖ Significant financial interest in one of the parties or the outcome
  - ❖ Relationship in private capacity
  - ❖ Campaign Monetary or In-kind Support: for any campaign, not just statewide

# CONFLICTS OF INTEREST: HOW

1. Review the agenda: is there anything that you might have a conflict of interest on? If so, contact ED or attorney ASAP.
2. At the meeting: at the start of the agenda item in question, declare the conflict before any discussion.
  - must provide sufficient information to put public on notice of the “material facts” on the matter.
  - must be made prior to taking action
  - if quasi-judicial, must be made directly to the parties

# CONFLICTS OF INTEREST: HOW (cont.)

3. You can make the call on whether to recuse or not.
4. Or you can ask the rest of the Board (neutral reviewer) to decide for you. If you follow their decision, you have safe harbor.
  - Conflicts standard: “[W]here the independence of judgment of a reasonable person in the public official’s situation would be materially affected” by the disclosed conflict. It is presumed that there is not a disqualifying conflict if the public official would not derive any personal benefit which is greater than that of any other general group affected.
  - Quasi-Judicial Standard: Does the conflict create “an appearance of bias to a reasonable person”?



# FIDUCIARY DUTIES

- Duty of Loyalty: you will administer the trust in **only** the interests of the beneficiaries
- **Duty of Care: you will administer the trust in good faith and with the care of an ordinarily prudent person in a like position**
- Duty of Prudence: you must exercise reasonable caution in decision-making
- Duty of Obedience: follow the “handbook”

# DUTY OF CARE

What would a reasonably prudent person managing a retirement fund do before making a decision?

- ❖ Gather and understand the facts; ask questions.
- ❖ What are the options available?
- ❖ Phone a friend: ask an expert.

# DUTY OF CARE

Must be impartial in investing, managing, and distributing the property. Cannot consider one beneficiary's interests over others.



# FIDUCIARY DUTIES

- Duty of Loyalty: you will administer the trust in **only** the interests of the beneficiaries
- Duty of Care: you will administer the trust in good faith and with the care of an ordinarily prudent person in a like position
- **Duty of Prudence: you must exercise reasonable caution in decision-making**
- Duty of Obedience: follow the “handbook”

# DUTY OF PRUDENCE

Must exercise reasonable care, skill, and caution.

Goes hand-in-hand with Duty of Care





# FIDUCIARY DUTIES

- Duty of Loyalty: you will administer the trust in ***only*** the interests of the beneficiaries
- Duty of Care: you will administer the trust in good faith and with the care of an ordinarily prudent person in a like position
- Duty of Prudence: you must exercise reasonable caution in decision-making
- **Duty of Obedience: follow the “handbook”**

# DUTY OF OBEDIENCE

You must ensure that the trust is complying with applicable laws, rules, and policies.

- What do the specific plans require?
- What do the state and federal laws require?
- What do your internal policies dictate?

# FIDUCIARY LIABILITY

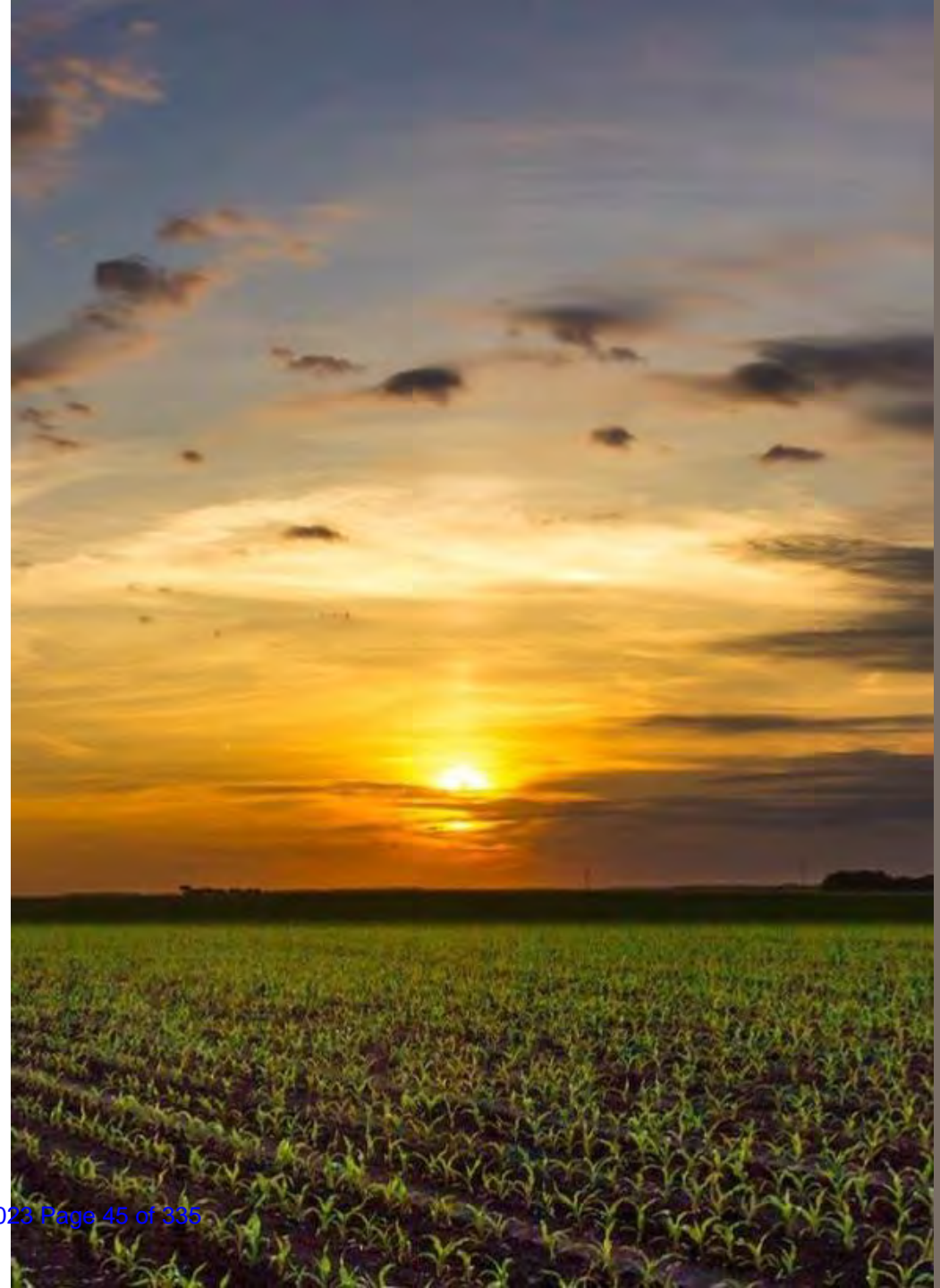
- Personal liability
  - Pay to restore the trust
  - Civil penalties
  - Criminal penalties for willful violations

# FIDUCIARY LIABILITY

- “Rat out your friends” duty (i.e. co-fiduciary duty)
  - Even if you are not breaching your fiduciary duty, if you know that someone else is breaching theirs and say nothing, you have now breached your fiduciary duty
  - You have to rat out your friends or risk personal liability.

# MITIGATION OF RISK

What are some steps that can be taken to reduce fiduciary risk?



# MITIGATION

- ❖ Establish, follow, and document prudent processes
- ❖ Maintain good governance structure
  - Thorough decision-making processes
  - Rigorous risk identification and management
  - Clearly defined and understood roles and responsibilities
- ❖ Perform on-going oversight
- ❖ Establish appropriate reporting and disclosure
- ❖ Periodically review procedures and processes; revise as needed
- ❖ Offer orientation and continuing education
- ❖ Obtain independent expert advice – law, actuarial, benefits, investments, audits

# SUMMARY

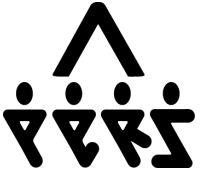
- Always be asking “is this for the benefit of the participating employees?”
- Are you informed or is there more you could do? Is there an expert you could ask?
- Follow the law.
- Avoid conflicts.



# QUESTIONS?

Allyson M. Hicks  
Assistant Attorney General  
General Counsel Division  
Office of Attorney General





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# Memorandum

**TO:**                   NDPERS Board

**FROM:**               Scott

**DATE:**               August 15, 2023

**SUBJECT:**           Code of Ethical Responsibility

Attached is the updated Code of Ethical Responsibility. Now that you have received your fiduciary responsibility education, please sign and date the document and give it to Jan for our records.

## North Dakota Public Employees Retirement System Board of Trustees

### Code of Ethical Responsibility

1. Each NDPERS Board and subcommittee member owes a duty to conduct themselves so as to inspire the confidence, respect and trust of the NDPERS members and to strive to avoid not only professional impropriety, but also the appearance of impropriety.
2. NDPERS Board and subcommittee members should perform the duties of their offices impartially and diligently. NDPERS Board and subcommittee members are expected to fulfill their responsibilities in accord with the intent of all applicable laws and to refrain from any form of dishonest or unethical conduct. Board members should be unswayed by partisan interest, public sentiment, or fear of criticism.
3. Conflicts of interest and the appearance of impropriety shall be avoided by NDPERS Board and subcommittee members. Board members shall comply with the rules of the North Dakota Ethics Commission related to conflicts of interest, North Dakota Administrative Code (N.D.A.C.) chapters 115-04 and -05. Board and subcommittee members should not allow their family, social, or other relationships to influence their judgment in discharging their responsibilities. Board and subcommittee members should refrain from financial and business dealings that tend to reflect adversely on their impartiality or interfere with the proper performance of their duties. If a conflict of interest unavoidably arises, the Board or subcommittee member shall immediately disclose the conflict to the NDPERS Board.
4. Board and subcommittee members should not unnecessarily retain employees or consultants. The hiring of employees and consultants shall be based on merit, avoiding nepotism and favoritism. The compensation of such employees and consultants shall not exceed the fair value of services rendered.
5. NDPERS members' retirement benefit information and health insurance data shall not be transmitted to any person other than in the fulfillment of a Board or subcommittee member's lawful responsibilities.
6. Board and subcommittee members shall not accept any cash or gifts, special accommodations, or favors from anyone with whom such person is doing, negotiating, or being solicited for business on behalf of NDPERS. However, Board and subcommittee members may accept: occasional meals or beverages from a citizen or business representative in connection with official duties; meals or refreshments offered in connection with a conference or seminar; reimbursement for costs related to attending a conference or seminar; and promotional items of nominal value. Travel and lodging costs may be accepted only upon prior approval of the Board.

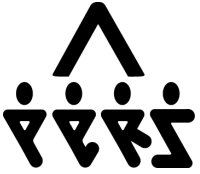
7. Board and subcommittee members shall perform their respective duties in a manner that satisfies their fiduciary responsibilities including:
  - a. **The exclusive benefit rule.** All activities and transactions performed on behalf of the retirement fund must be for the exclusive purpose of providing benefits to plan participants and defraying reasonable expenses of administering the plan.
  - b. **The prudent person rule.** Fiduciaries are required to exercise the same care, skill, prudence, and diligence that a prudent person familiar with such matter would exercise in managing similar affairs. The investments of the trust funds must be diversified so as to minimize the risk of large losses unless such diversification is clearly imprudent.
  - c. **Compliance with statutory scheme.** The fiduciary must act in conformance with the requirements of law, specifically, NDCC Chapter 54-52.
  - d. **Prohibited transactions.** Prohibited transactions for fiduciaries generally fall into two areas: those involving self-dealing and those involving a party-in-interest. Self-dealing refers to the fiduciary's use of plan assets for personal gain, engaging transactions on behalf of parties whose interests are adverse to the plan, or receiving personal consideration in connection with any planned transaction. A party-in-interest includes a fiduciary, counsel, or employee of the plan, anyone providing services to the plan, any employer or employee, organizations whose employees or members are covered by the plan and any of the number of other persons or entities that have a stated interest or relationship with a party-in-interest. Prohibited transactions between the plan and a party-in-interest include the sale, loan, exchange, or transfer of any plan assets.
8. Violation of these rules may result in an official reprimand from the NDPERS Board. No reprimand may be issued until the Board or subcommittee member has had the opportunity to be heard by the Board.

**I understand and agree to the provisions of this policy.**

\_\_\_\_\_  
**Printed Name**

\_\_\_\_\_  
**Signature NDPERS Trustee or subcommittee member**

\_\_\_\_\_  
**Date**



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# Memorandum

**TO:**                   NDPERS Board

**FROM:**               Rebecca

**DATE:**               August 15, 2023

**SUBJECT:**           Sanford Health Plan Executive Summary Quarter 1 2023

Sanford Health Plan (SHP) will be at the meeting to review the Quarter 1, 2023 Executive Summary (Attachment 1) and answer any questions you may have. Representatives from Humana are also available to discuss any questions related to the Medicare Part D Plan information, labeled as NDPERS EGWP, found on page 15 of the summary. In addition, since this is the first summary in which Humana can report year-over-year data, Humana has provided Attachment 2 regarding changes in the information they are reporting, specific to their reporting practices.

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

# NDPERS Executive Summary



Quarter 1 | 2023

Presented August 2023



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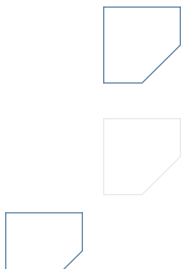
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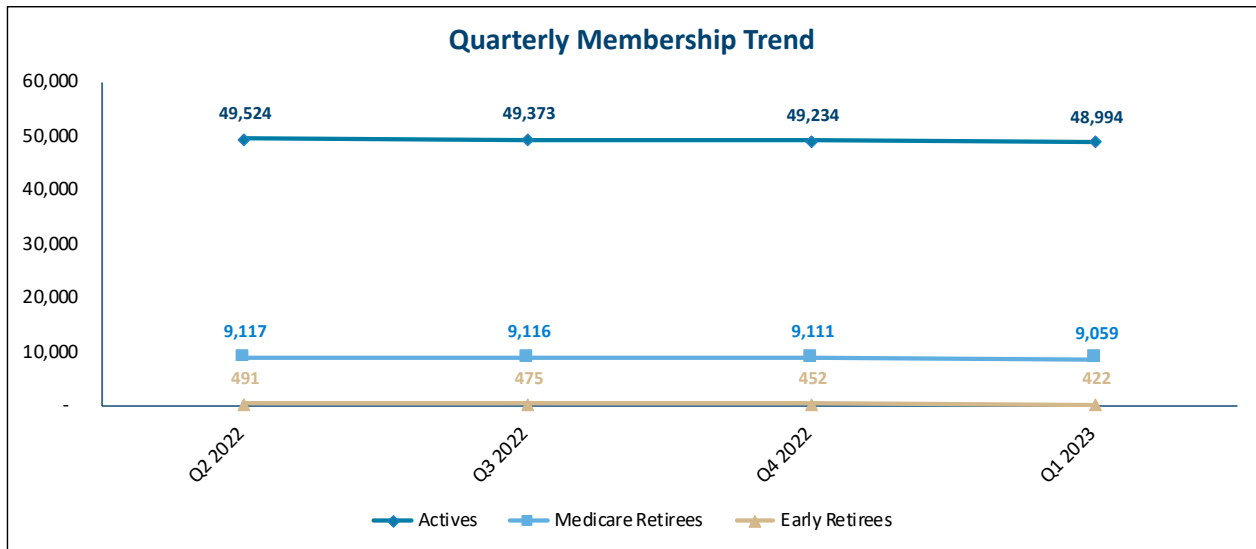


Summary

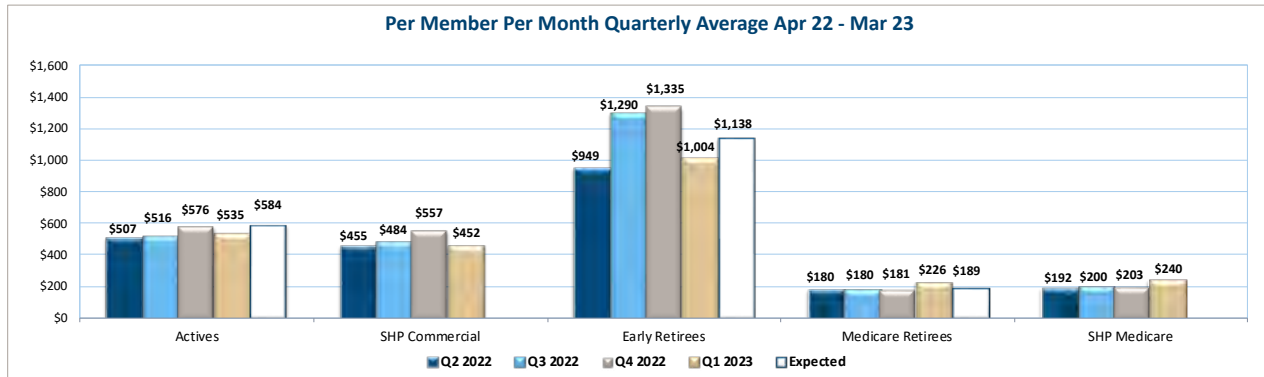
# ANNUAL MEMBERSHIP SUMMARY

MEMBERSHIP COMPARISON						PERCENT CHANGE
	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Q1 2023	Q1 2022 – Q1 2023
Actives	49,685	49,524	49,373	49,234	48,992	-1.04%
Medicare Retirees	9,137	9,117	9,116	9,111	9,059	-0.9%
Early Retirees	499	491	475	452	422	-15.5%

## MEMBERSHIP TREND



## PMPM SUMMARY

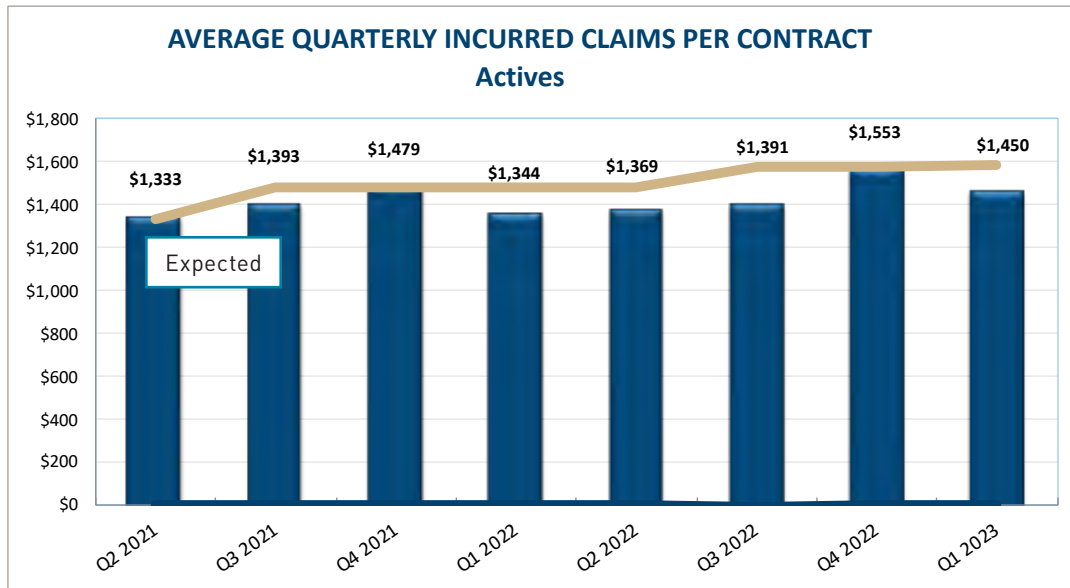


\*Incurred between April 1, 2022 and March 31, 2023. Includes IBNR for April 1, 2022 through March 31, 2023, as of May 31, 2023.

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

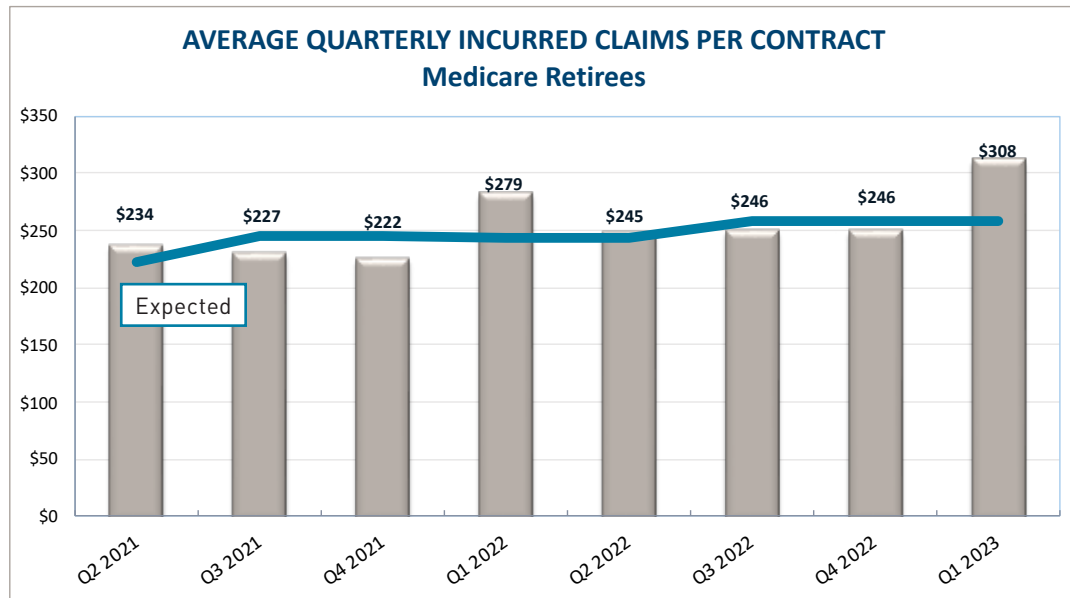
\*Expected is April 1, 2022 - March 31, 2023.

# PAID CLAIMS PER CONTRACT PER MONTH



\*Incurred between April 1, 2022 and March 31, 2023. Includes IBNR for April 1, 2022 through March 31, 2023, as of May 31, 2023.

\*NDPERS Active contracts have approximately 2.71 members per contract.



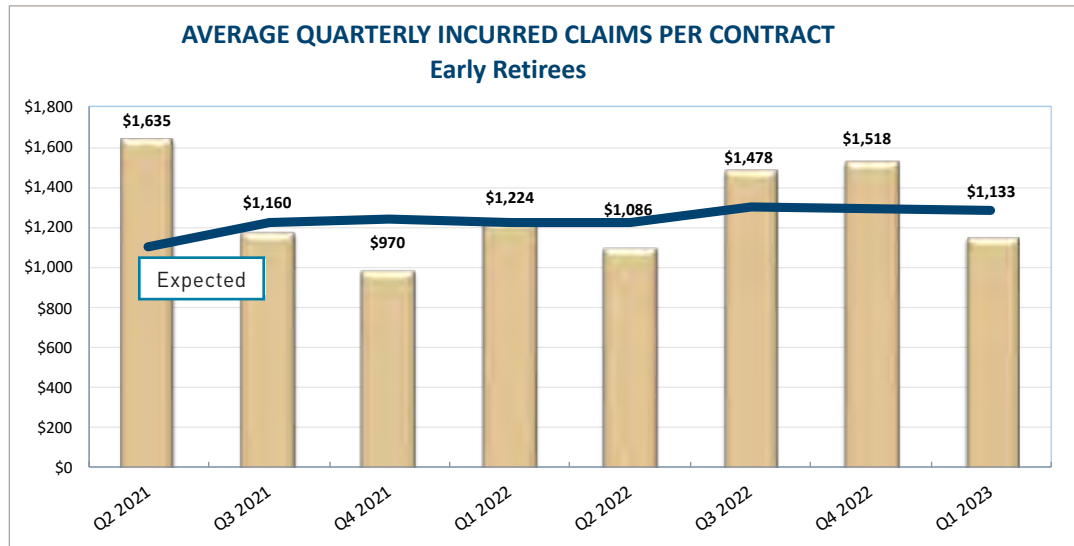
\*Incurred between April 1, 2022 and March 31, 2023. Includes IBNR for April 1, 2022 through March 31, 2023, as of May 31, 2023.

\*NDPERS Medicare Retirees contracts have approximately 1.37 members per contract.



Claims Analysis

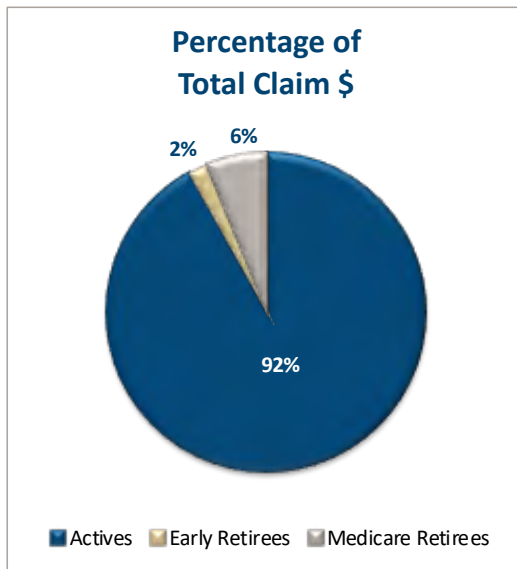
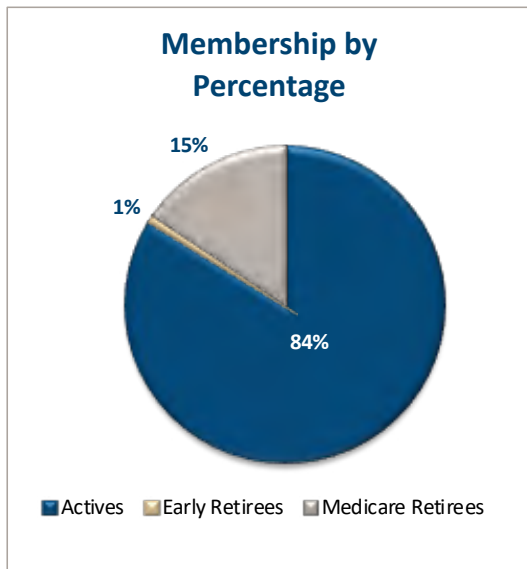
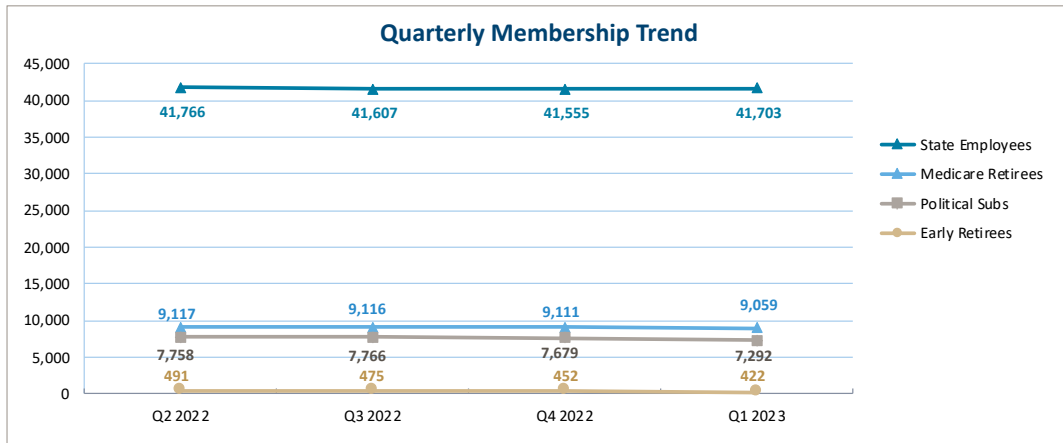
## PAID CLAIMS PER CONTRACT PER MONTH



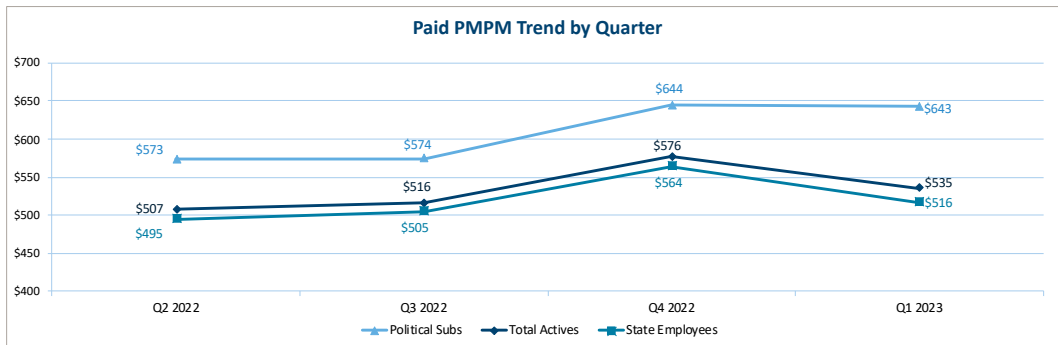
\*Incurred between April 1, 2022 and March 31, 2023. Includes IBNR for April 1, 2022 through March 31, 2023, as of May 31, 2023.

\*NDPERS Early Retirees contracts have approximately 1.13 members per contract.

## MEMBERSHIP PERCENTAGE

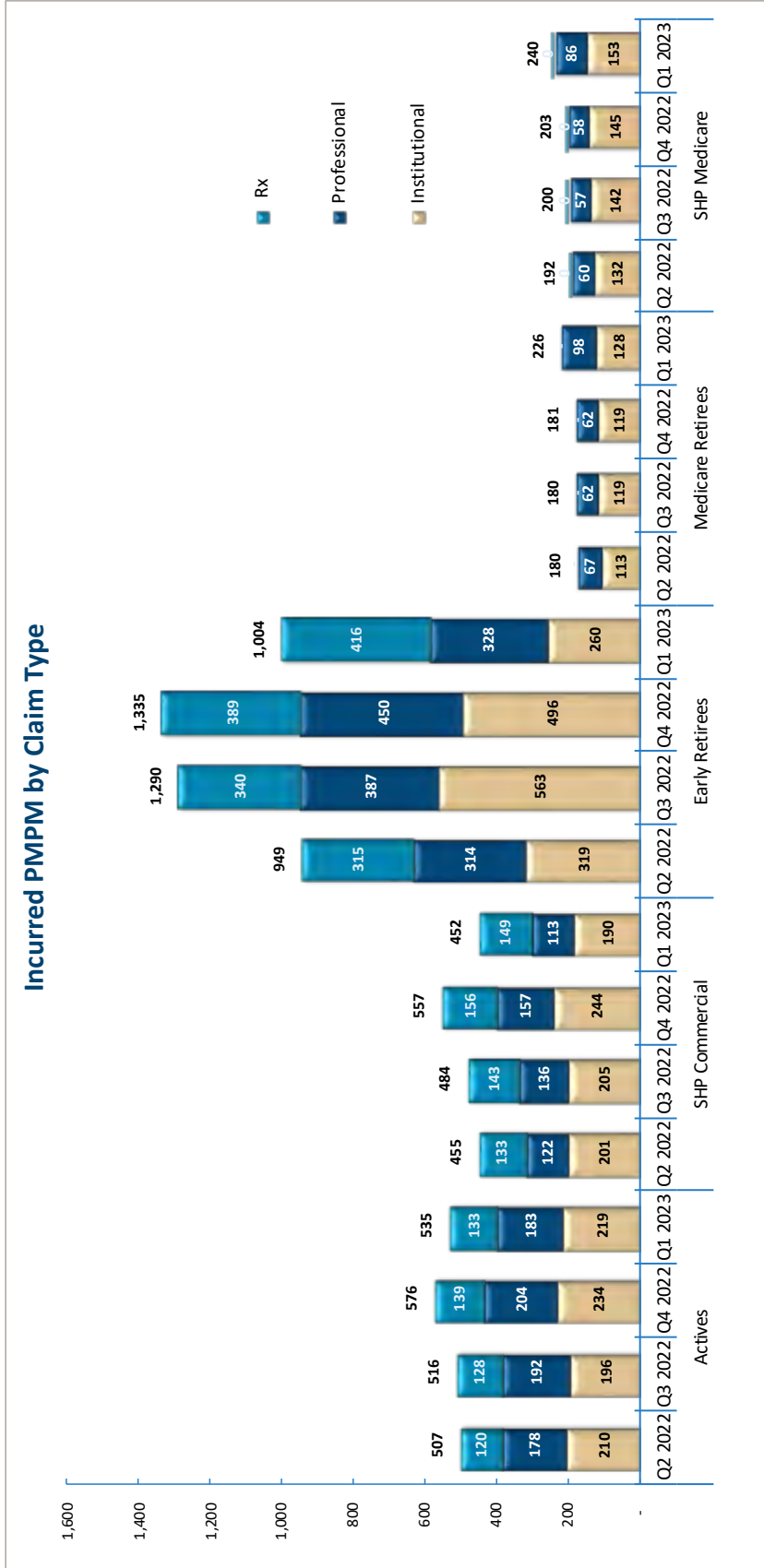


## PAID PMPM TREND BY QUARTER



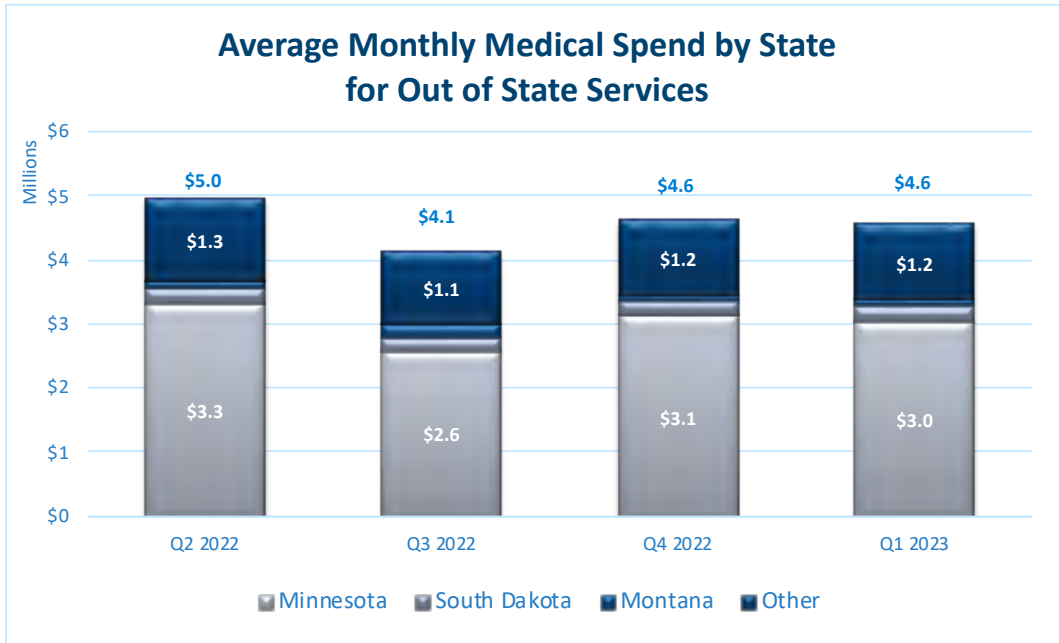
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Membership & Utilization

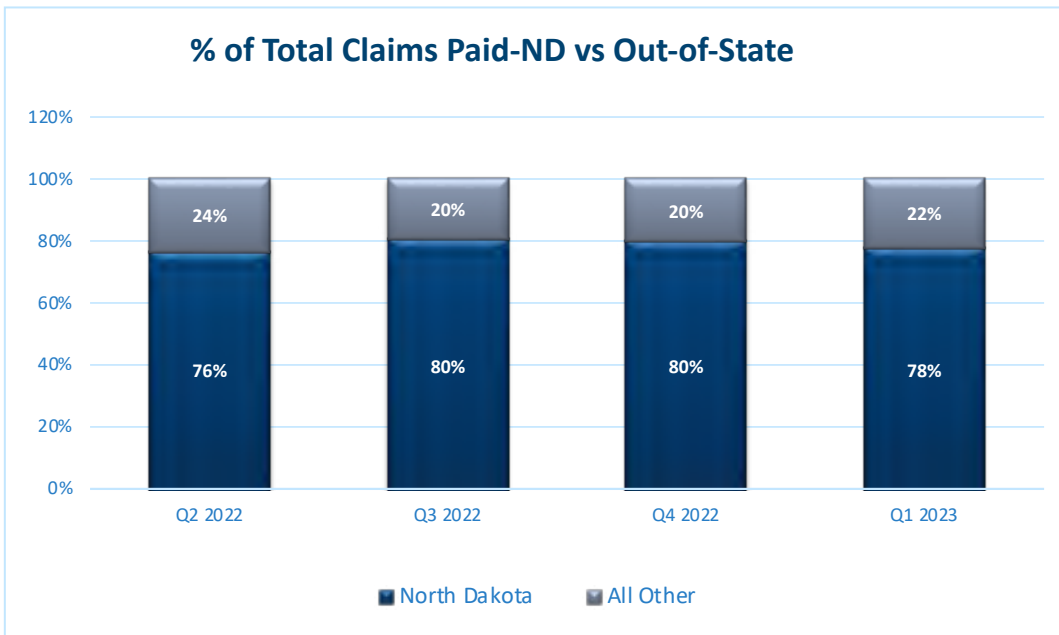


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## PAID CLAIMS BY STATE

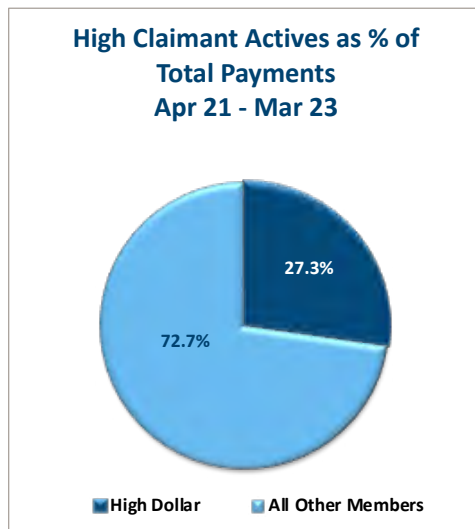
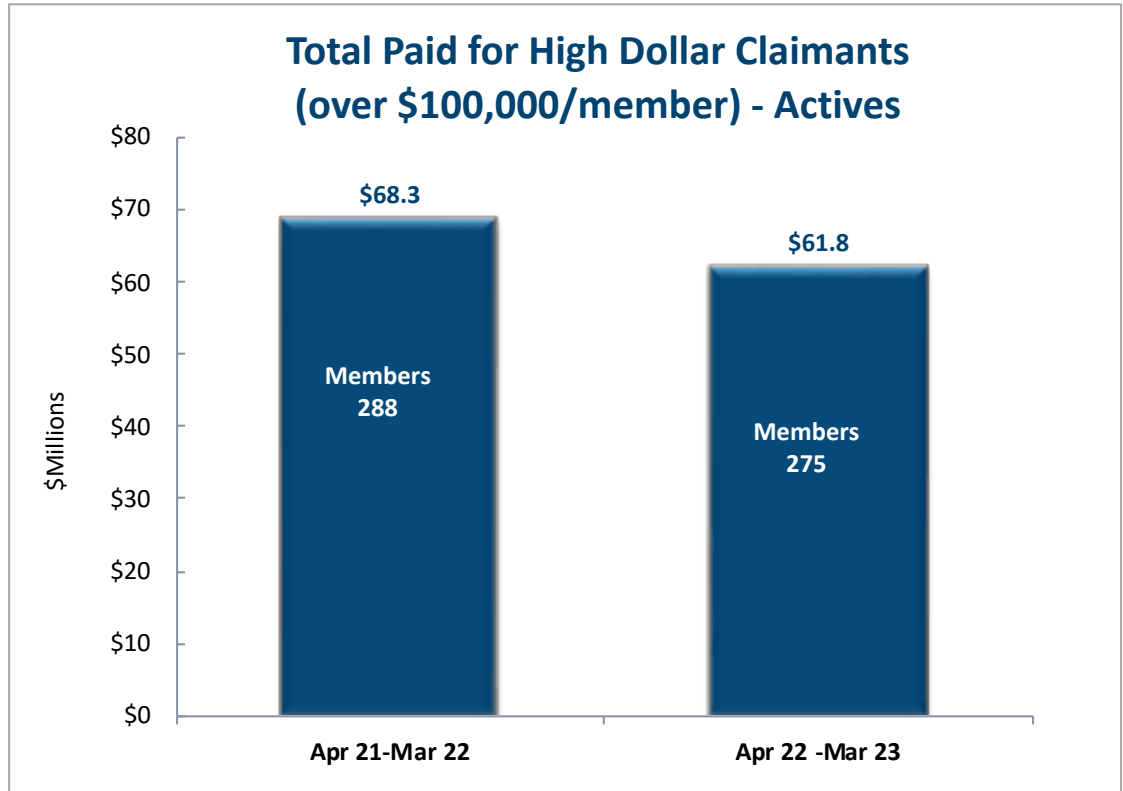


\*Paid Claims by State charts include both active and retiree membership.



High Dollar Cases

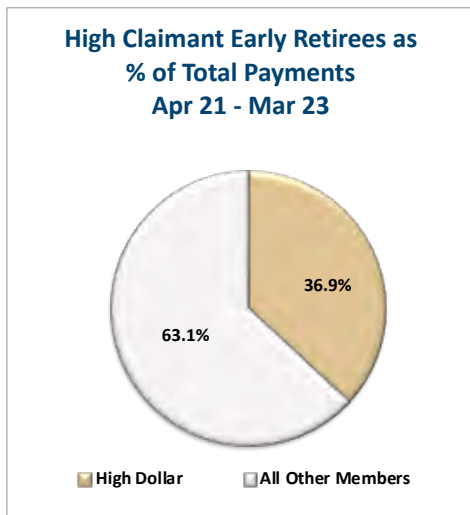
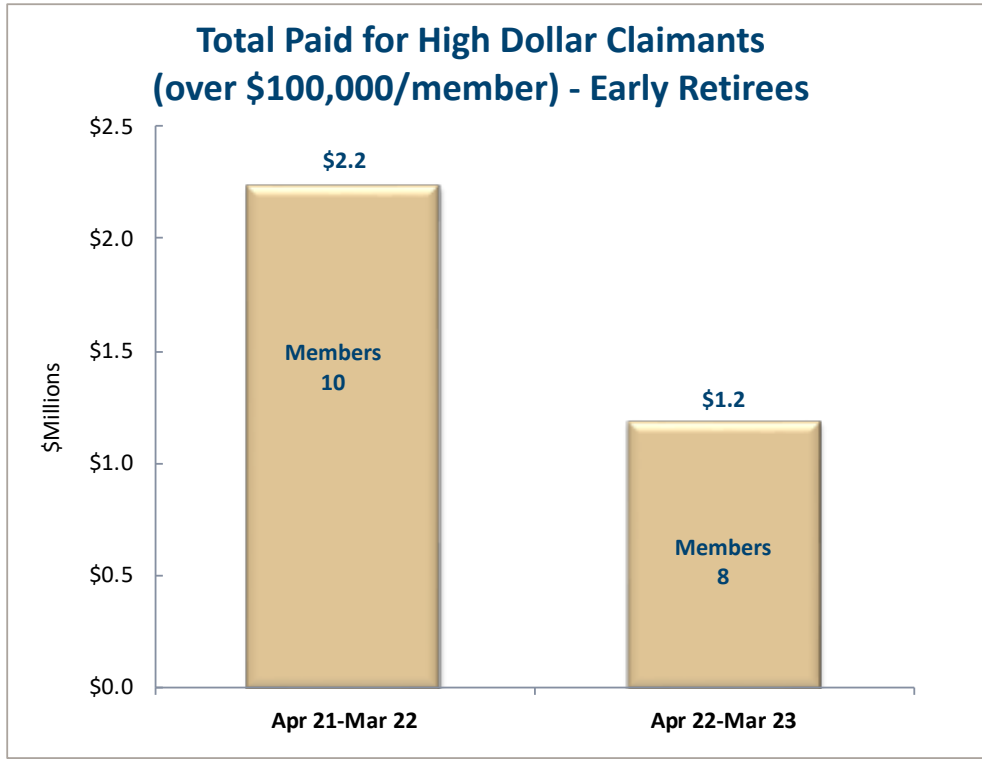
ACTIVES



Avg. Paid/Claimant	\$224,864
% of Total Payments	27.3%

# EARLY RETIREES

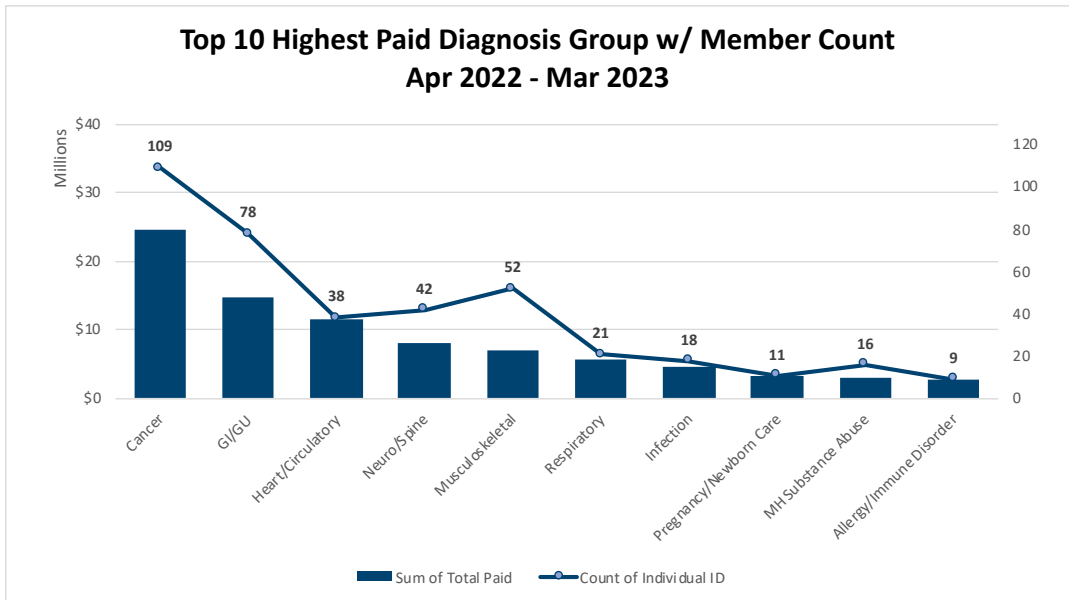
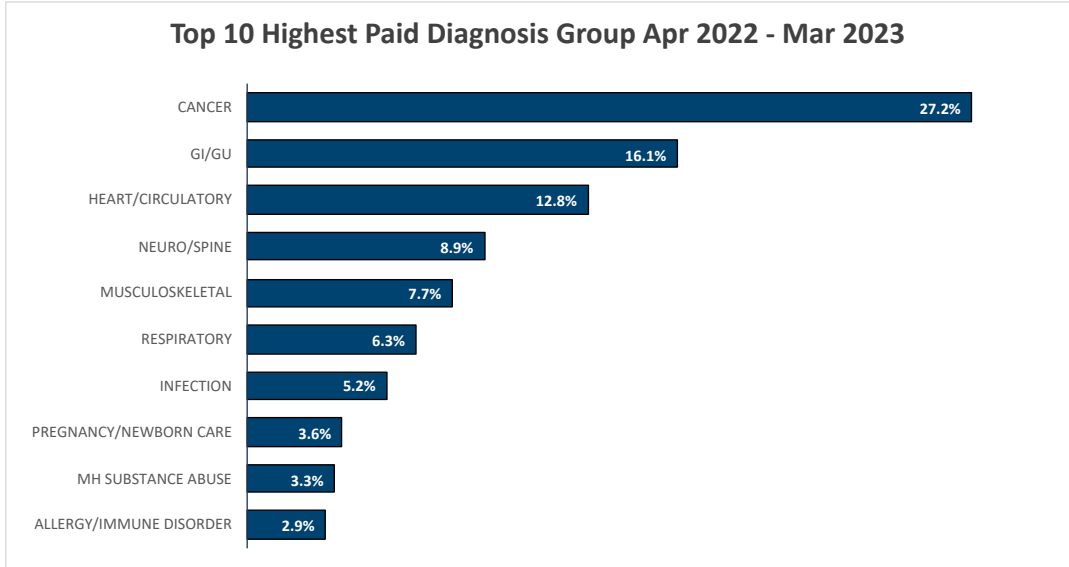
High Dollar Cases



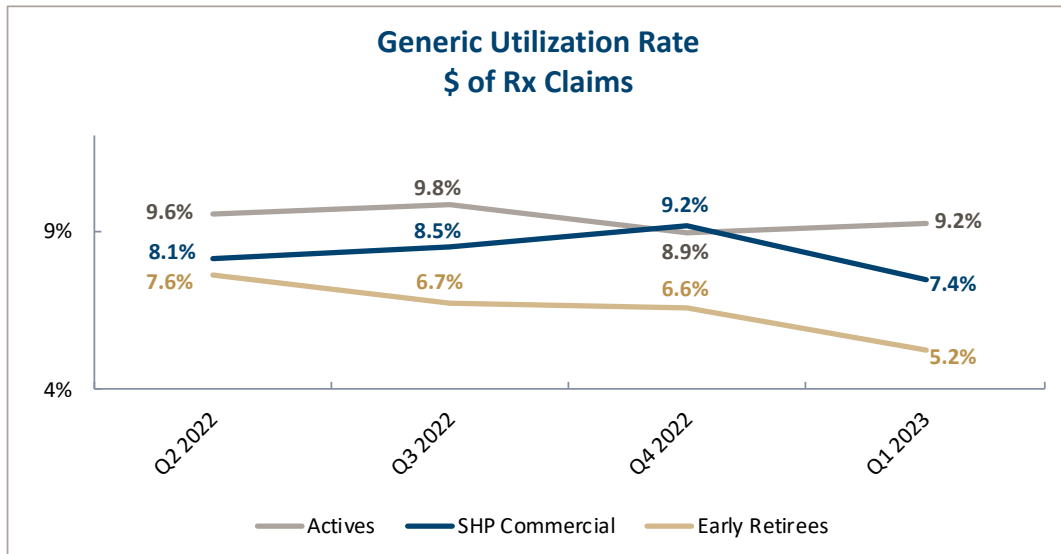
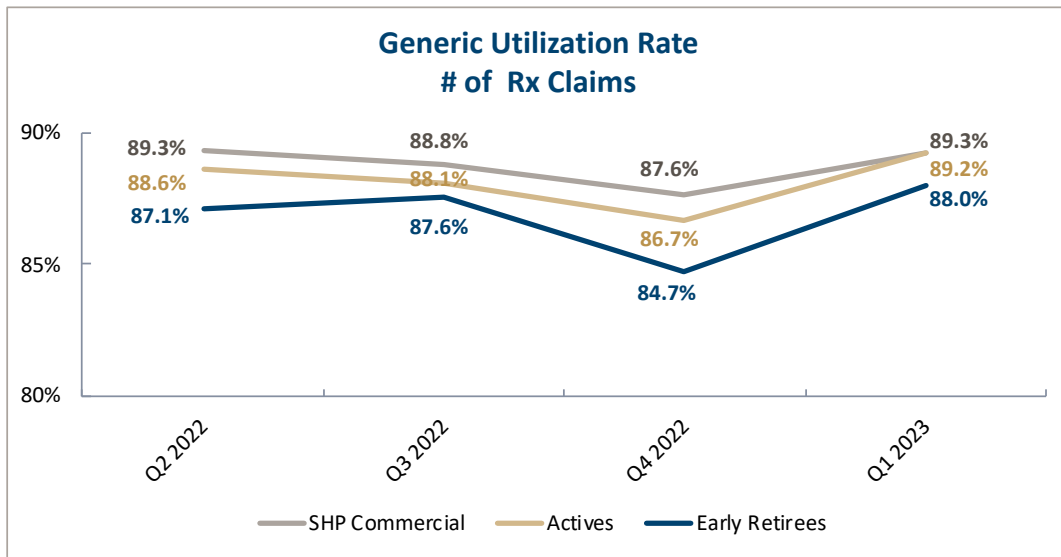
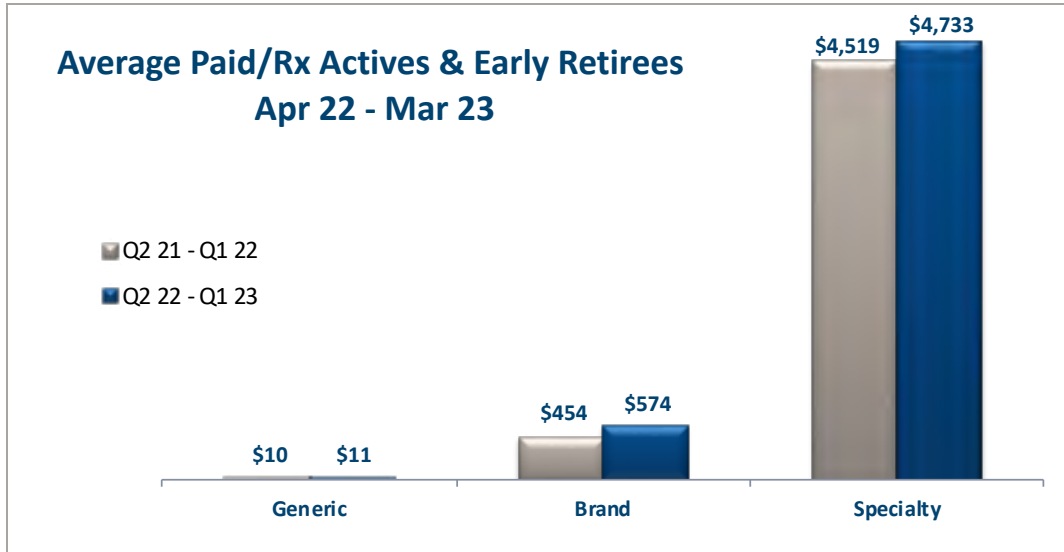
Avg. Paid/Claimant	\$147,286
% of Total Payments	36.9%

High Dollar Cases

# PRIMARY DIAGNOSIS



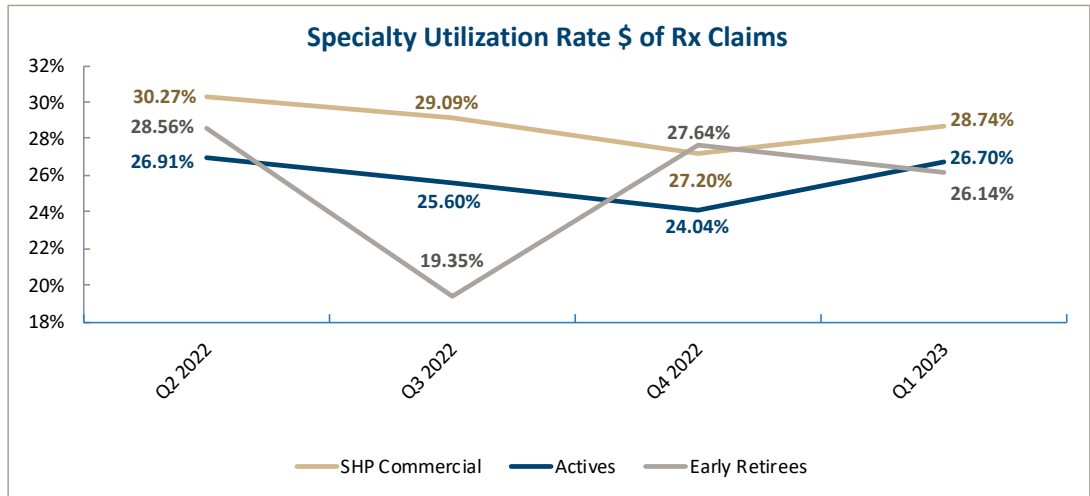
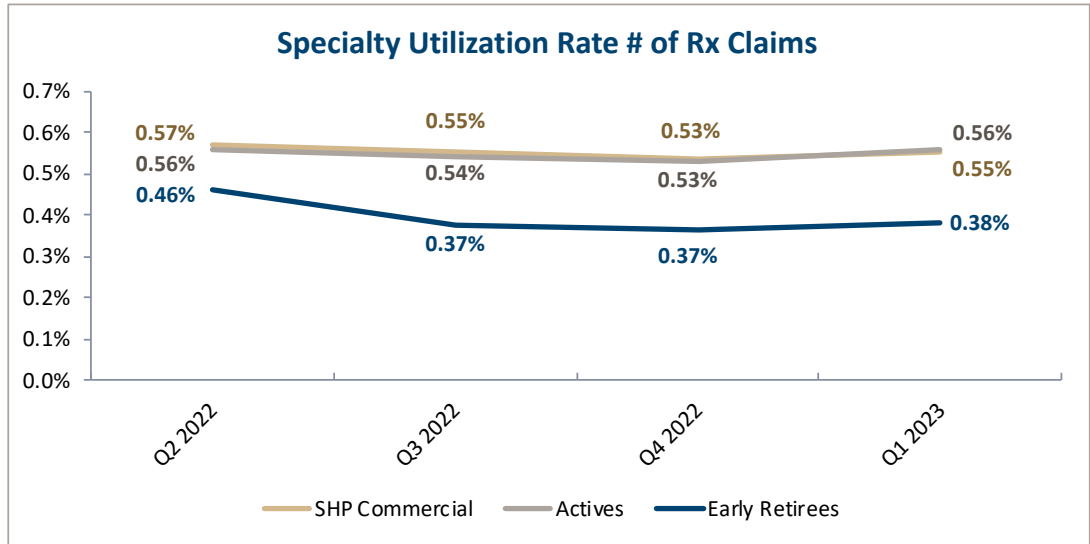
# GENERIC UTILIZATION





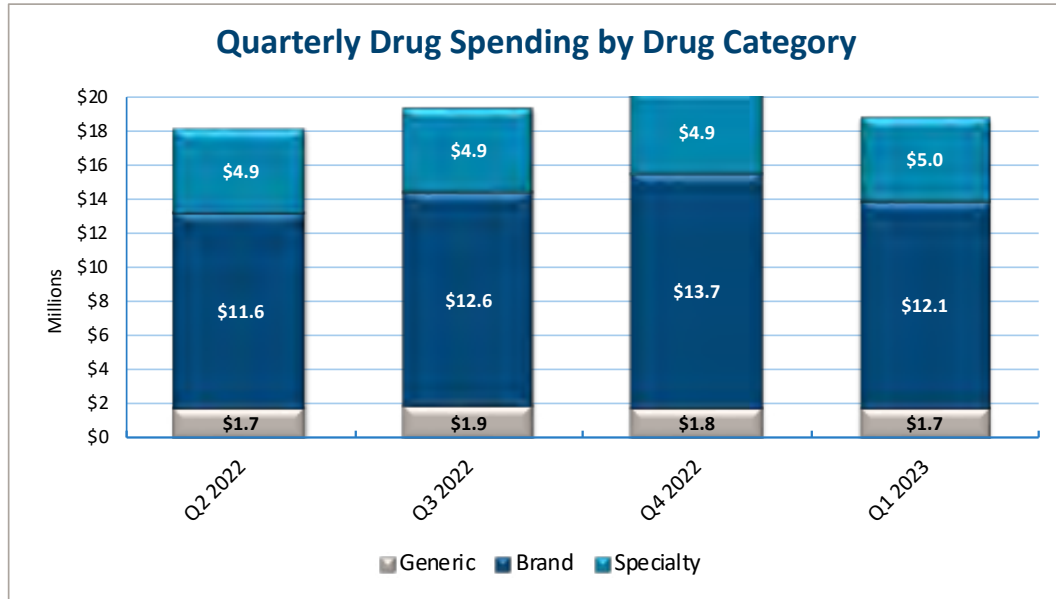
Prescription  
Drugs

# SPECIALTY PHARMACY



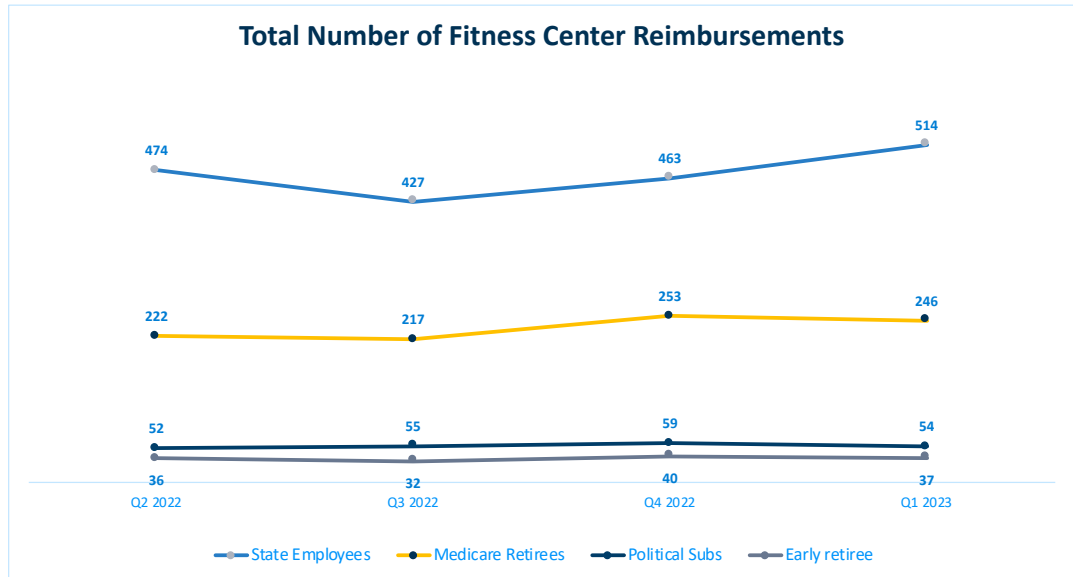
# PHARMACY

Prescription  
Drugs

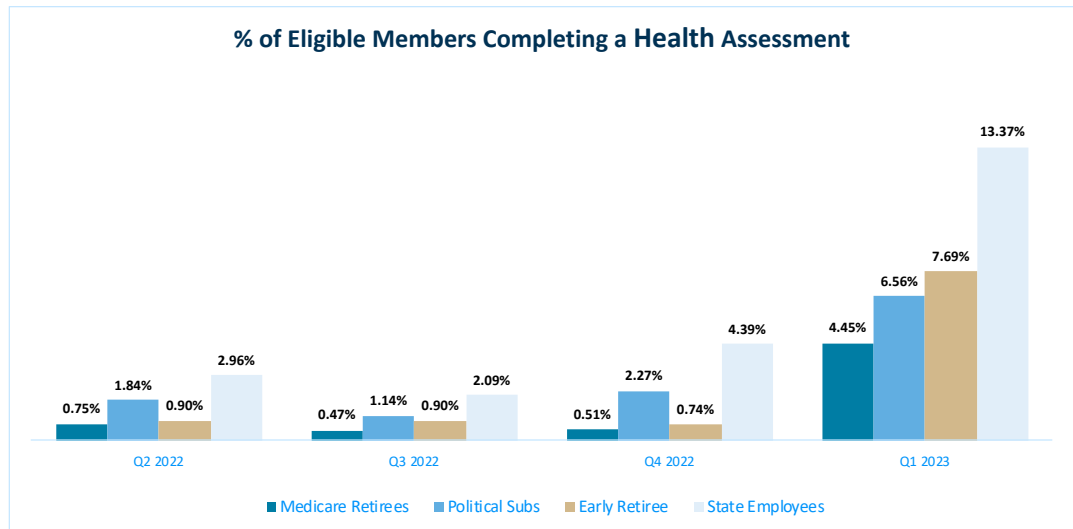


Humana – NDPERS EGWP			
Description	Q1 2022	Q1 2023	Change
<b>Avg Members per Month</b>	9,123	9,058	-0.70%
<b>Average Member Age</b>	76.3	76.6	0.40%
<b>Members Utilizing Benefit</b>	8220	8225	0.10%
<b>% Members Utilizing Benefit</b>	90.10%	90.80%	0.80%
<b>Total Rx (30 day adjusted)</b>	116,712	118,532	1.60%
<b>Total Rx PMPM (30 day adjusted)</b>	4.26	4.36	2.30%
<b>Generic Fill Rate</b>	90.70%	90.50%	-0.20%
<b>Maintenance 90 Day Utilization</b>	77.90%	79.10%	1.50%
<b>Retail - Maintenance 90 Day Utilization</b>	76.00%	77.30%	1.70%
<b>Home Delivery - Maintenance 90 Day Utilization</b>	1.90%	1.80%	-5.30%
<b>Total Specialty Rx</b>	288	266	-7.60%
<b>Specialty % of Plan Paid</b>	33.00%	27.10%	-17.90%

## FITNESS CENTER REIMBURSEMENT



## HEALTH ASSESSMENT



## LIFESTYLE MEDICINE PROGRAMS



### Center for Lifestyle Medicine

NDPERS members with qualifying conditions have access to ongoing visits with a Lifestyle Medicine Specialist to create an individualized Lifestyle Medicine plan.

Total NDPERS Participants that have completed the program: **56**

#### Outcomes among all program graduates

- ↓ **4%** (4.5%) decrease in BMI (38.4278 to 36.6885) in patients with an obesity diagnosis
- ↑ Graduates increased their physical activity from 112 to 200 minutes of physical activity minutes increased by **79%**
- ↓ Those with a diagnosis of DM II reduced their Blood glucose by **60** points



### Exercise is Medicine (EIM)

Exercise has endless benefits to our health, including reducing obesity, improving sleep and our emotional well-being while reducing and reversing heart disease, diabetes, and high blood pressure.

Sanford Health patients who have a diagnosis of a BMI of 30 or greater, hypertension, hyperlipidemia, pre-diabetes, type 2 diabetes, metabolic syndrome or depression are eligible for this 12 week group exercise program. The goal of EIM is to increase confidence when it comes to making exercise a habit.

ALL TIME  
**175**  
Completed the full program

Pre Program Cardiovascular Minutes (N=319)	Post Program	6 Month Post Program Cardiovascular Minutes (N=122)
Average 67 minutes per week	Average 137 minutes per week	Average 106 minutes per week
<b>104%</b>	increase in moderate intensity physical activity minute post program	
<b>58%</b>	increase in moderate intensity physical activity minutes 6 months post program	



### Diabetes Prevention Program (DPP)

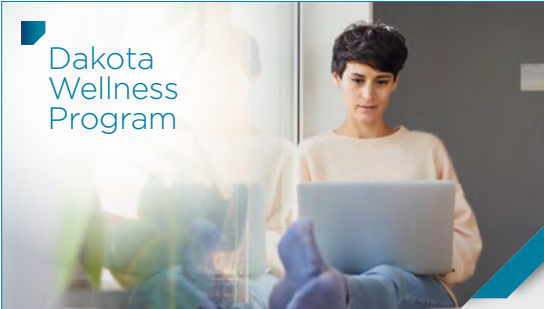
1 OUT OF 3 American adults has prediabetes. Sanford Health Plan members have access to diabetes prevention offerings to help them make permanent lifestyle changes to reduce the risk for developing Type 2 Diabetes. Trained Lifestyle Coaches will help members learn to eat healthy, increase physical activity, manage stress, remove barriers and stay motivated. We offer virtual programming for DPP.

2023 Q1  
Enrollees  
**2**

2023  
Enrollees  
**2**

## 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.



**Dakota  
Wellness  
Program**

### Goal Setting


As we head into the New Year, we all start to think about what our New Year's resolutions might be. Are we going to eat more fruits and veggies? Be more active? Finally implement that new program at work?

Set small, SMART goals that you can build on over time to boost self-confidence. This allows you to celebrate the small wins along the way, which can increase motivation. If you are a chronic New Year's resolution-setter, try setting a different goal for each month of the year.

**Let's look at what goes into creating a SMART goal.**

- S** – **Specific.** What exactly are you trying to achieve?
- M** – **Measurable.** Be sure you can clearly measure the success of your goal.
- A** – **Attainable/Achievable.** Set goals you know you can achieve and are realistic.
- R** – **Relevant.** Set goals that are in line with your values and long-term goals.
- T** – **Time-bound.** Give yourself a timeline.

Learn more in the  
**Dakota Wellness Program Newsletter.**



NDPERS-008 Rev. 1/22



**Dakota  
Wellness  
Program**

### Financial Wellbeing

When we think of being financially well, it is common to think that those with more money have more financial wellness. The phrase "financial wellbeing" can sound overwhelming and can include many factors for different people of what true financial wellbeing means. The Consumer Financial Protection Bureau (CFPB) conducted a survey of people around the country asking them what financial wellbeing meant to them. Here's what they found:

We learned that financial wellbeing means having financial security and financial freedom of choice, in the present and in the future. More specifically, having financial wellbeing is when you:

-  **Have control over day-to-day, month-to-month finances**
-  **Have the capacity to absorb a financial shock**
-  **Are on track to meet your financial goals**
-  **Have the financial freedom to make the choices that allow you to enjoy life**

Learn more in the  
**Dakota Wellness Program Newsletter.**



NDPERS-008 Rev. 1/22



**Dakota  
Wellness  
Program**

### Nutrition at the Workplace

As an adult, you likely spend most of your time working, sleeping, and eating, so it important that you find some enjoyment in those things — and why not improve your health and wellbeing while you are at it!

**Here are a few tips to help set you up for success, specifically at the workplace:**

- 1** The environment that surrounds you can account for up to 70% of the choices you make. Think about what you do (or don't) have access to at your workplace and adjust to make the healthy choice the easy choice.
- 2** Plan ahead — you don't need to write of the details of every meal for every week, but having an idea of what you plan to bring to lunch and have on hand for snacks over the next few days can eliminate that last minute fast food run for lunch.
- 3** Carbohydrates give you (and your brain) energy, while protein and fat help keep you fuller for longer. Try to incorporate a combination of all nutrients throughout the day to keep you energetic, productive, and satisfied.

Learn more in the  
**Dakota Wellness Program Newsletter.**



NDPERS-008 Rev. 1/22



## Special Events

### 2023 Dakota Wellness Program Webinar

#### Free Virtual meetings in February

The Sanford Health Plan wellness team invited members to learn about the Dakota Wellness Program. Three virtual sessions were available in February and 848 members attended the webinars.

Topics covered included how to:

- Log on or create a mySanfordHealthPlan account
- Access the Health Assessment in the wellness portal
- Navigate the wellness portal
- Earn points through engaging in wellness activities online or in the workplace, participating in the fitness center reimbursement and completing preventive care and challenges
- Redeem points

### Q1 Quarterly Wellness Challenge:

#### Financial Wellbeing

Members reviewed educational PDFs of topics of interest from February 1 through February 28. Members that completed the activity received 1,500 points toward their annual wellness benefit

- Total participation: **1,034**



#### Find Support This Financial Wellness Month

Ready to become a financial wellness pro? February is Financial Wellness Month, a perfect opportunity to increase your financial literacy in areas such as saving for retirement or creating a budget.

To get started, access the **Increase Your Financial Wellness Knowledge Challenge** from the Dakota Wellness program on WebMD. This activity is available once you complete your Health Assessment. Review four of the 12 financial health e-learning modules during this month to earn 1,500 points\* from the Dakota Wellness program. Set your financial goals today!

[GET STARTED](#)



#### Health benefits of financial well-being:

##### Feel happier

Money security and mental health are strongly linked. Financial well-being can help you feel more in control of your life, which can help you feel happier and better prepared to deal with stress.

##### Sleep more soundly

Don't lose sleep over money worries ever again! When you feel good about your finances, you'll be more likely to get a good night's sleep more often.

##### Protect your physical health

Having good financial health can help prevent stress-related health conditions like depression, high blood pressure and a weakened immune system.

##### Find peace of mind

Having a full savings account can help put your mind at ease. In case of a medical emergency, you'll be prepared to get the best possible care.

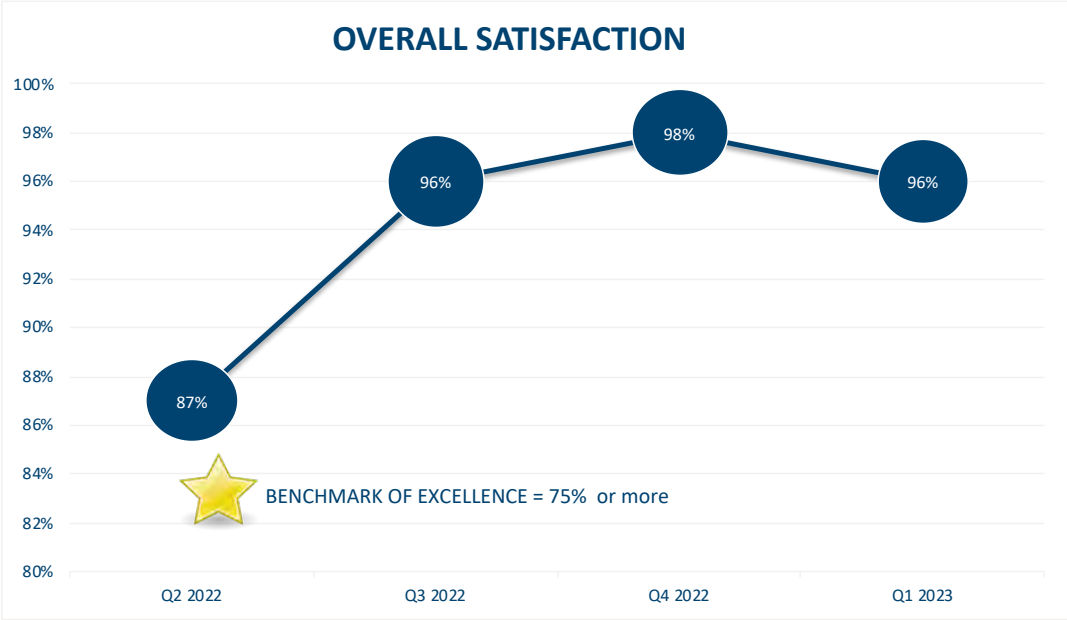
MEASURE	GOAL	OUTCOME REPORTING DATES	CURRENT
<b>WELLNESS:</b>			
Health risk assessment completion	17%	June 30, 2023	18%
Worksite interventions agency participation	75%	June 30, 2023	75%
Fitness center reimbursement participation	5%	Dec. 31, 2023	2.63%
Wellness redemption center payments	\$800,000	Dec. 31, 2023	\$297,408
Wellness redemption center rate	8%	Dec. 31, 2023	3.5%
<b>HEALTH OUTCOMES:</b>			
Healthy Pregnancy Program	27.98%	June 30, 2023	5.9%
Diabetes Prevention Program	3%	Dec. 31, 2023	3%
Exercise is Medicine Program	3%	Dec. 31, 2023	<1%
Breast cancer screening rates	80%	June 30, 2023	79%
Cervical cancer screening rates	85%	June 30, 2023	77.6%
Colorectal cancer screening rates	60%	June 30, 2023	62.4%
<b>PROVIDER NETWORK/CONTRACTING:</b>			
PPO network participation rate	Hospital, MDs & DOs: 92%	June 30, 2023	100% Hospital 97% MD/DO
Par medical network minimum discount	30%	Dec. 31, 2023	44.87%
<b>CUSTOMER SERVICE &amp; CLAIMS:</b>			
Claims financial accuracy	99%	June 30, 2023	99.4%
Claims payment accuracy	98%	June 30, 2023	99.8%
Claim timeliness	99%	June 30, 2023	99.1%
Claims procedural accuracy	95%	June 30, 2023	99.7%
Average speed of answer	30 seconds	June 30, 2023	35 seconds
Call abandoned rate	5% or less	June 30, 2023	0.75%
First call resolution	95%	June 30, 2023	96.95%
Written inquiry response time	95%	June 30, 2023	99.16%
<b>PHARMACY &amp; FINANCIAL:</b>			
Prescription drug turnaround times	98%	June 30, 2023	100%
About the patient program payment	5 days	June 30, 2023	100%
Interest rate corrections	5 days	June 30, 2023	100%



Performance Standards & Guarantees

2021-2023

Survey Score



CASE MANAGEMENT				
JAN. 1, 2022 – DEC. 31, 2022				
Offered	Responded		Engaged	
2,319	1,227	52.90%	406	33.10%
Performance Metrics	Pre-enrollment	Post-enrollment	Difference	% Change
PMPM Medical Claims	\$6,709	\$4,317	\$2,392	36%
PMPM Pharmacy Claims	\$944	\$710	\$234	25%
Inpatient Visits/1000	515/1000	211/1000	304/1000	59%
Emergency Room Visits/1000	744/1000	571/1000	173/1000	23%

## Memorandum

To: NDPERS Board of Trustees and NDPERS

From: Julie Bodenski, Humana

Date: July 3, 2023

Re: Humana Part D Prescription Drug Plan – Quarterly Summary updates

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To: NDPERS Board, Mr. Miller and Ms. Fricke

Humana is pleased to provide the NDPERS Board and Staff with the first quarter 2023 Part D Prescription Drug Plan metrics. In evaluating the pharmacy summary, Humana is highlighting changes to the pharmacy summary as we move into 2023 and comparing year over year Humana Part D plan metrics. These changes take into account Humana's reporting practices for pharmacy plan performance on a quarterly basis.

**2023 format** – Humana quarterly pharmacy summary. Changes in yellow highlights in grid (page 2):

1. **Avg Subscribers per Month** - remove
  - Humana does not differentiate between “subscribers” and “members,” as Medicare members are viewed independently.
2. **Avg Member Age** - moving placement
  - Moving placement under Avg Members per Month for demographic data flow
3. **Total Days and Total Adjusted Rxs** - replacing with **Total Rx (30 day adjusted)**
  - Humana does not specifically measure this and have to back into the metric with other metrics – it is also redundant in showing directional change in Adjusted Rxs. **Replacing with “Total Rx (30 day adjusted).”**
  - Adding language “(30 day adjusted)” to take into all Rxs filled across various days supply
4. **Nbr Adjusted Rxs PMPM** - replacing with **“Total Rx PMPM (30 day adjusted)”**
  - This change follows with item #4 above, consistent with Humana reporting.
5. **90 Day Utilization** - updated as: **“Maintenance 90 Day Utilization”**
  - Humana calculates based on days supplied to properly weight 90 day rx's (i.e. 90 days supplied). We will take the 2022 metrics and calculate this with the “days supplied” methodology for 2022 to 2023 changes with each quarter.
6. **Home Delivery Utilization** - adding language “90 day utilization” for clarity
7. Adding high level specialty metrics; (**“Total Specialty Rx”** and **“Specialty % of Plan Paid”**)
  - With Specialty drug trends, impact to plan cost and regulatory changes to Part D plans Humana is recommending to add specialty metrics to the quarterly summary.

The next page displays the Humana Q1 2023 Pharmacy Summary with changes highlighted and the Q1 2022 Pharmacy Summary for visual comparison. We are happy to provide this update to NDPERS Board and welcome any questions.

**2023 Humana Part D Prescription Drug Plan: Pharmacy Summary (Q1 2023)**

Humana - NDPERS EGWP			
Description	Q1 2022	Q1 2023	% Change
Avg Members per Month	9,123	9,058	-0.7%
Average Member Age	76.3	76.6	0.4%
Members Utilizing Benefit	8220	8225	0.1%
% Members Utilizing Benefit	90.1%	90.8%	0.8%
Total Rx (30 day adjusted)	116,712	118,532	1.6%
Total Rx PMPM (30 day adjusted)	4.26	4.36	2.3%
Generic Fill Rate	90.7%	90.5%	-0.2%
Maintenance 90 Day Utilization	77.9%	79.1%	1.5%
Retail - Maintenance 90 Day Utilization	76.0%	77.3%	1.7%
Home Delivery - Maintenance 90 Day Utilization	1.9%	1.8%	-5.3%
Total Specialty Rx	288	266	-7.6%
Specialty % of Plan Paid	33.0%	27.1%	-17.9%

**2022 Humana Part D Prescription Drug Plan: Pharmacy Summary (Q1 2022)**

Sanford Health Plan – NDPERS EGWP			
Description	Q1 2021	Q1 2022	Change
Avg Subscribers per Month	9,132	9,124	0.2%
Avg Members per Month	9,132	9,124	0.2%
Number of Unique Patients	8,360	8,226	-1.6%
Pct Members Utilizing Benefit	91.5%	90.2%	-1.4%
Total Days	3,444,354	3,497,687	1.5%
Total Adjusted Rxs	123,723	116,590	-6.1%
Average Member Age	75.7	76.3	0.8%
Nbr Adjusted Rxs PMPM	4.52	4.26	-6.1%
Generic Fill Rate	92.3%	90.7%	-1.8%
90 Day Utilization	67.2%	50%	-34%
Retail - Maintenance 90 Utilization	65.1%	49%	-33%
Home Delivery Utilization	2.1%	1%	-1.1%

\*Q1 2021 provided by ESI

\*Q1 2022 provided by Humana

Sincerely,

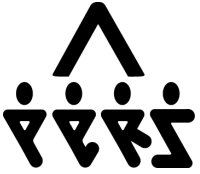


Julie Bodenski

Group Medicare Senior Account Executive – Humana

CC: Stephanie Heller, Director Account Management

Mark Powell, Clinical Pharmacy Lead - Humana



# Memorandum

**TO:** NDPER Board

**FROM:** Katheryne Korom

**DATE:** August 15, 2023

**SUBJECT:** Recordkeeper Request for Proposal (RFP)

We have included for your review a draft copy of the Recordkeeper RFP. It has been reviewed by staff, Callan consultants, and NDPERs' legal counsel. All changes are included in the document. Proposers are required to submit a bid to provide defined contribution recordkeeping, trustee/custodial, and administrative services.

Following are the key dates for the proposal process:

	August 2023	September 2023	October 2023	November 2023	December 2023
RFP Published	16				
Recordkeeper discovery questions due	30				
Discovery questions responses posted by Callan		8			
RFP online responses due		15			
Hard copy responses due		18			
Finalists notified				Mid-Nov.	
Best and final offers submitted					Early Dec.
Finalist Presentations (if applicable)					TBD

If you have any questions, additions, or changes to the Recordkeeper RFP, we will be available at the NDPERS Board Meeting.

**Board Action Requested:** Approve the Recordkeeper RFP and the timeline for the proposal process.

Attachment

## 1 Introduction

### 1.1 Introduction

On behalf of the North Dakota Deferred Compensation Plan and Defined Contribution Plans (NDPERS, or “the Plan”) Callan is soliciting proposals from qualified plan administrators to provide recordkeeping, administrative, and trustee/custodial services for the NDPERS (“Plan”). Proposers (“You” or “Your”) are invited to present proposals for defined contribution recordkeeping, trustee/custodial, and administrative services. The terms and conditions of this Request for Proposal (RFP) are set forth below. This document provides an introduction to the process and instructions to complete this RFP.

This Request for Proposal (RFP) is issued for a 4-year period (July 1, 2024 through June 30, 2028). In addition, the Board intends that the successful bidder will have the opportunity to renew its contract for two subsequent two-year periods if an acceptable agreement can be reached between the contractor and the Board.

The North Dakota Public Employees Retirement System (PERS) is a retirement plan for all state employees (excluding those in the Board of Higher Education eligible for TIAA), and employees of counties, cities and school districts (excluding teachers) which have elected to participate.

This RFP is issued on August 16, 2023, and is available via an online solicitation on the ProposalTech system ([www.proposaltech.com](http://www.proposaltech.com)). There is no cost to use this service.

### 1.2 Objectives

NDPERS seeks to achieve the following objectives through the search process:

- Identify the most qualified business partner to deliver recordkeeping administration, as well as participant and plan sponsor services.
- Identify a Service Provider that will improve the efficacy of the Plan and facilitate the timing to transition plan assets.
- Identify a Service Provider whose costs are reasonable and commensurate with the services being provided.
- Identify a Service Provider with the flexibility to meet the Plan’s and participants’ current and future needs.
- Identify a Service Provider with proactive and intuitive tools including web-based modeling capabilities that educate and encourage participants to plan for retirement and for participant retirement income needs.
- Identify a Service Provider whose quality assurance practices are able to ensure that the Plan is administered in accordance with plan documents and applicable regulations.
- Identify a Service Provider that assigns an experienced service team that is proactive, responsive, and integrated to address new market trends and service provider offerings and ideas for discussion.

- Identify a service provider who has a plan to increase participation and deferrals into the 457 plan and is willing to agree to specific increases over the life of the contract in the service standards.
- Demonstrate fiduciary responsibilities and due diligence.
- Identify a service provider that can meet the requirements outlined in House Bill 1040.

### 1.3 Contact Information

Callan has been engaged to manage the RFP process for the Plan. Do not attempt to solicit information directly from NDPERS or its employees and honor its desire to rely on its consultants. Upon release of the RFP, all provider candidates shall not be in direct contact with any NDPERS employee on matters regarding this search. All inquiries should be directed to Ben Taylor and Patrick Wisdom. Contact information is as follows:

Ben Taylor	Patrick Wisdom	Proposal Tech Support
Callan, LLC 600 Montgomery St. Suite 800 San Francisco, CA 94111	Callan, LLC 120 N. LaSalle St. Suite 2400 Chicago, IL 60602	Proposal Technologies 4000 Barranca Pkwy # 250 Irvine, CA 92604
503-308-8875	312-346-1691	877-211-8316
<a href="mailto:taylorb@callan.com">taylorb@callan.com</a>	<a href="mailto:wisdom@callan.com">wisdom@callan.com</a>	<a href="mailto:support@proposaltech.com">support@proposaltech.com</a>

## 2 Instructions and Timeline

### 2.1 Responses

The RFP requires responses from you in FOUR parts, which are described below:

1. **Letter of Introduction and Executive Summary:** Submit a letter of introduction and executive summary of the proposal. A person authorized by your firm to obligate your firm to perform the commitments contained in the proposal must sign the letter. Submission of the letter must include a representation by your firm that your firm is willing and able to perform the commitments contained in the proposal. Any exceptions should be fully described in this letter of introduction. You should describe how the exception will not jeopardize the integrity of the Plan and its operation or impair its goals and objectives. Include in the letter of introduction a summary of your qualifications, experience, and why you should be selected.
2. **General Questionnaire:** Your responses to the Callan Recordkeeping Questionnaire (Section 6) will be used for general questions. You will need to indicate which market segment (core, large, mega, tax-exempt, or public) of the questionnaire is applicable to the Plan. The annual questionnaire will be re-opened so that vendors may review and change their responses as necessary. This information will be considered part of your official proposal.

3. **The Custom RFP Questionnaire:** Your response to the Custom RFP Questionnaire should provide answers that are tailored to the required services for the NDPERS Plan. Some questions may be duplicates of questions in the general questionnaire that require more in-depth explanations applicable to the Plan.
4. **The Pricing/Fee Matrix:** Your required fees are to be included in the Fee Matrix found in ProposalTech. The Pricing/Fee Matrix must cover all required services for the Plan. Any services that require additional or ad hoc fees must be explicitly provided for in the Fee Matrix.

Responses should be brief and to the point. Where a response of ‘yes’, for example, will suffice, please respond accordingly. More importantly, make sure you provide an answer that specifically addresses the question.

## 2.2 Form of Proposals

COMPLETENESS, CLARITY, AND BREVITY ARE IMPORTANT. CANDIDATES SHOULD SUBMIT ALL INFORMATION REQUESTED IN THIS RFP IN THE SPECIFIED FORMAT. RESPONSES NOT MEETING FORMAT REQUIREMENTS OR THAT ARE INCOMPLETE IN ANY WAY MAY BE REJECTED. CANDIDATES ARE URGED TO READ THIS RFP CAREFULLY, TO TAKE CARE IN THE PREPARATION OF RESPONSES, AND TO CAREFULLY PROOFREAD THE FINAL VERSIONS FOR ACCURACY AND COMPLETENESS.

## 2.3 Timeline

	August 2023	September 2023	October 2023	November 2023	December 2023
RFP Published	16				
Recordkeeper discovery questions due	30				
Discovery questions responses posted by Callan		8			
RFP online responses due		15			
Hard copy responses due		18			
Finalists notified				Mid-Nov.	
Best and final offers submitted					Early Dec.
Finalist Presentations (if applicable)					TBD

## 2.4 Discovery Questions

Each Service Provider will be given until the close of business on August 30, 2023, to submit questions related to the NDPERS RFP, service requirements, operational environment, transition needs, etc. A



response to the questions will be posted by September 8, 2023. Questions should be submitted to Ben Taylor and Patrick Wisdom via the "Ask Question" feature in ProposalTech.

## 2.5 RFP Responses

Responses to this RFP must be submitted in hard copy in addition to the online format provided by ProposalTech. **Online responses will be due by 5:00:00 p.m. CDT on September 15, 2023. The ProposalTech server clock will govern. After that date and time, proposals received on or before that date and time will be electronically opened, and no additional proposals will be accepted. Hard copy responses will be due by 5:00:00 p.m. CDT on September 18, 2023.**

To be considered for award, six (6) printed and bound copies, one (1) unbound copy of the Offeror's technical and price proposal, one (1) electronic, PDF redacted copy of the proposal on a separate flash drive labeled "REDACTED", and one (1) electronic, editable, PDF original copy of the proposal on a separate USB flash drive labeled "ORIGINAL" (note that the electronic redacted and original copies may not be a picture) must be received by NDPERS on or before 5:00 P.M. (CDT), September 18, 2023. The unbound copy shall bear original signatures and shall be marked as the "Master Copy". The unbound Master Copy shall contain no divider sheets or tabs and shall be printed on one side only of 8-1/2 in. x 11 in. white paper to enable copying if needed. Colors must reproduce in a legible manner on a black-and-white copier. The unbound original, one (1) copy of the "REDACTED" proposal on a flash drive, and one (1) copy of the "ORIGINAL" proposal on a flash drive shall be provided in separate sealed envelopes. These shall be addressed to:

**Katheryne Korom**  
**Research & Project Manager**  
**North Dakota Public Employees Retirement System**  
**1600 East Century Ave, Suite 2**  
**Bismarck , ND 58503**  
**E-mail: [ndpersbids@nd.gov](mailto:ndpersbids@nd.gov)**

Responses should be brief and provide requested information only. Your company's proposal and consequently your responses to this questionnaire may be incorporated into the contract between your company and NDPERS.

All costs incurred during proposal preparation or in any way associated with the proposal's preparation, response, submission, or presentation shall be the sole responsibility of the proposer and will not be reimbursed by the Plans.

## 2.6 Finalist Interviews

Timing for finalist presentations, if necessary, will be December 2023 and communicated in November. These dates and timeframes are subject to change. However, your firm may be requested to reserve that date on the calendar for all members of the proposed team to hold a presentation in-person in North Dakota on that date. The candidates will be given sufficient notice should they be selected for a

finalist presentation. All costs incurred for oral interviews shall be the sole responsibility of the proposer and will not be reimbursed by the Plans.

## **2.7 Conversion**

NDPERS tentatively proposes to complete the plan conversion to the recordkeeper (if applicable) on July 1, 2024.

## **2.8 Recordkeeper Selection Criteria**

NDPERS expects to make its selection of the most qualified Proposer based on organization, administrative capabilities and technology, fees, communication, and service plan. These criteria include, but are not limited to, the following:

- Organizational stability and commitment to the retirement plan administration business
- Experience with plan administration for plans of a similar size and type
- Services in line with specifications
- Strong communication capabilities
- Leading edge web products and services, including robust participant and plan sponsor web capabilities
- Onsite and/or virtual meeting and/or one-on-one counselling support as requested by client
- Experienced call center representatives supported with strong tools and systems
- Experienced, responsive, and client-focused servicing team
- Appropriate integrated processes and controls to manage quality and ensure proper plan administration and trust accounting
- Strong compliance and oversight with rigorous controls
- Robust reporting capabilities and data retrieval
- Technical defined contribution knowledge and skills
- Strong data security and disaster recovery
- Investment flexibility and ability to record keep an open architecture fund lineup
- Fee transparency
- Reasonable fees and availability of methodologies to empower fee leveling, revenue recapture, and similar administration features
- Assistance with plan documents, service/adoption agreements, etc.
- Ability to process trustee-to-trustee transfers from the 457 plan to another 457 plan or to the 401(a) defined benefit plan and to complete NDPERS service purchase required paperwork within necessary timeframes
- There is a preference for providers that can provide locations around North Dakota for participant education and one-on-one sessions.
- Ability to comply with the standards of House Bill 1040.

## **2.9 Minimum Qualifications**

Respondents to this RFP must meet the following minimum qualifications:

- Agree that the proposals are to be 100% unbundled from proprietary investment products, including both managed account services as well as investments such as annuities or mutual funds;
- The Proposer must have a System and Organization Controls (SOC) report audit conducted at least annually;
- The Proposer must be directly responsible for the administration and plan management services outlined in this RFP, and all personnel responsible for the consulting services must be employees of the firm;
- Proposer must have at least five (5) years' experience in providing the proposed services, communications, and products to the public sponsor defined contribution marketplace;
- Proposer must have a minimum of \$2 billion under administration for public sector 401(a) and 457 plans;
- Proposer must administer at least three (3) public sector 401(a) and 457 plan accounts each with 10,000 or more participants;
- Proposer must comply with North Dakota Century Code 54-52, including 54-52.2 and 54-52.6: <https://www.ndpers.nd.gov/about/laws-regulations>;
- Proposer must comply with North Dakota Administrative Code 71-04 and 71-08: <https://www.ndac.app/doku.php?id=71:start>;
- Proposer should have the capability to accept daily/weekly data interfaces from NDPERS with enrollment and contribution data for plan participants;
- Proposer must provide resources to support the on-going consultation to NDPERS and all Plan participants located throughout the State. This includes the availability of customer and field service representatives to support employee meetings and new employee orientation programs;
- Proposers should be solely liable and responsible for any processing errors of the provider or its agents. In the event of a participant's loss of interest and/or dividend and/or principal due to an error by the selected proposer or its agent in processing transactions on behalf of the participant, the selected proposer agrees to adjust the participant's account to the same position as if the processing error had not occurred.

## 2.10 Proposal Scoring

Proposals will be evaluated comprehensively for the best overall service proposal, as determined from a review of the proposals by NDPERS, Callan, and other parties determined necessary by the Committee. Proposals will be scored in two phases. The first phase will focus on the RFP responses, including quality of the proposals and total costs.

The second phase of the scoring will be based on the Finals Presentation if applicable. The Finals Presentation would involve up to three finalists selected for further evaluation and interviews with NDPERS in December 2023. This score will be based on the proposer's performance and information provided during the interview. NDPERS reserves the right to request a best and final offer as part of the Finals presentation, or after the Finals presentation.

## 2.11 Evaluation of Proposals

NDPERS reserves the right to select the most qualified Proposer for contract award, under the criteria specified in this RFP. NDPERS along with Callan will first examine proposals to eliminate those that are non-responsive to the stated requirements. Therefore, proposers should exercise particular care in reviewing the proposal format required for this RFP.

The most qualified Proposer will be presented to the NDPERS Board of Trustees for approval of the selection. The most qualified Proposer (or selected Proposers) will work with NDPERS using the draft Scope of Work attached to the RFP Documents and its Proposal, to develop a detailed final "Scope of Work", Exhibit A of the Contract, to negotiate a final Contract. The final Contract will be presented to the NDPERS Board of Trustees for its approval. The ultimate decision will be the responsibility of the NDPERS Board of Trustees. The NDPERS Board of Trustees reserves the right to delegate approving authority to an authorized representative.

In the event NDPERS is unable to finalize a satisfactory agreement with the highest ranked Proposer within a reasonable period, at a price determined to be fair and reasonable to NDPERS, discussions with that Proposer will be terminated. NDPERS may then, at its discretion, undertake discussions with the next highest ranked Proposer, or may cancel this procurement and reissue the RFP. Before award of the Contract, the selected Proposer must submit a completed Disclosure of Ownership (attached to the RFP) to the applicable Purchasing Representative within 24 hours of NDPERS's request.

NDPERS reserves the right to contact any and all references to obtain, without limitation, information regarding a proposer's performance on previous projects. A sample of references will be checked for each proposer.

An initial review will narrow the respondents to up to three finalists. While evaluation will review all aspects of the proposal total cost to the Plans, proposed servicing model, scope of communication and education capabilities, technology and ongoing investment support will be key factors in the decision. In evaluating the finalist proposals, all aspects of the required services will be fully evaluated. NDPERS may consider any factors it deems necessary and proper for best value, including but not limited to:

1. Data-management services, including creation and maintenance of employee data, transaction data and history, interfaces with suppliers and payroll, and other recordkeeping and administrative functions, including compliance.
2. Overall cost structure, including member fees and credit allowances for plan level expenses.
3. Size, structure, resources, and experience in providing deferred compensation services that are similar in size and scope to that of the North Dakota Public Employees Retirement System 401(a) Defined Contribution and 457(b) Deferred Compensation Companion Plans.
4. Qualifications of the personnel assigned to execute the services required by NDPERS.
5. Member services including one-on-one participant counseling and on-line system capabilities including voice response system, participant internet website and customer service center.
6. Plan for increasing overall plan participation and assets.
7. Ongoing support for investment monitoring.
8. Scope and value of performance guarantees.

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

## **2.12 Award**

NDPERS reserves the right to award the Contract based on objective and/or subjective evaluation criteria. The NDPERS Board of Trustees is not bound by the recommendation of the Selection Team, but it must base any alternative decision made on the same evaluation criteria factors set forth in this RFP and may not modify those factors or their established weight, or order of importance. This Contract will be awarded on the basis of which Proposal NDPERS deems best suited to fulfill the requirements of the RFP. The ultimate decision will be the responsibility of the Governing Body. The Governing Body reserves the right to delegate approving authority to an authorized representative.

After review and consideration of the recommendation, NDPERS reserves the right to accomplish the award by selecting a Proposer and approving a Contract simultaneously. If the selection and approval of the Contract is not done simultaneously, the Governing Body shall, if it concurs with the recommendation for selection, approve that recommendation and authorize the Board Counsel, to negotiate final Contract terms and conditions, to bring the negotiated Contract back for approval at a later date.

NDPERS is under no obligation to award a Contract for these services. Issuance of the RFP and receipt of Proposals does not commit NDPERS to award a Contract and it reserves the right to reject any and all Proposals received if it is deemed that no single Proposal fully meets the requirements of this RFP. NDPERS reserves the right to postpone the proposal Close Date and time for its own convenience, to negotiate with more than one Proposer simultaneously, or to cancel all or part of this RFP. NDPERS reserves the right to select and award a Contract, with or without further discussions, to one or more of the most qualified Proposers. Should negotiations with the first selected Proposer be terminated, NDPERS may negotiate with the next highest ranked Proposer.

## **3 Disclosures and Stipulations**

### **3.1 Data**

All information presented in this RFP, including information which is subsequently disclosed by NDPERS during the proposal process, will be considered strictly confidential and is to be provided to your

employees on a need-to-know basis only. Information should not be released to or discussed with parties external to the Service Provider without the express written consent of NDPERS.

These materials may not be discussed with anyone outside your organization without the express written consent of NDPERS. Questions regarding this material should only be directed per instruction. Any breach of this confidentiality clause may result in disqualification of your organization from the selection process.

Upon the completion of the RFP process, providers shall cease to use the information provided and will return or destroy all information.

To allow sufficient time for contract negotiation, all fees and conditions stated in the proposal must be firm for a period of 180 days from the deadline for submission of proposals.

All responses to the RFP will become the property of NDPERS. Additionally, NDPERS reserves the right to disclose information in the RFP internally and with their professional Service Providers for purposes of evaluating the responses.

### **3.2 Right of Acceptance**

NDPERS reserves the right to accept a proposal other than that which is the lowest priced, to accept or reject any proposal in whole or in part, and to reject all proposals with or without notice or reasons. The issuance of this RFP does not obligate NDPERS to accept any of the resulting proposals. NDPERS may negotiate with multiple Service Providers during this process. NDPERS reserves the right to discontinue the procurement process at any time and makes no commitments, implied or otherwise, that this process will result in a business transaction with one or more Service Providers or other parties.

In the event that a Service Provider is selected during this process and that subsequent negotiation with that Service Provider results in failure to reach agreement on significant contractual issues, NDPERS reserves the right to resume negotiations with other Service Providers at any time.

The agreement when and if awarded may not be subcontracted or assigned in part or whole to another party by the Service Provider without prior written permission of NDPERS.

NDPERS will not be liable under any circumstances for any expenses incurred by any Service Provider in connection with the RFP, including, but not limited to preparation, submission, and travel-related costs.

NDPERS reserves the right to request from the proposers a best and final fee proposal. Should a best and final fee proposal be requested, scores for the best overall service proposal will be adjusted to reflect any new information contained in the revised fee proposals.

NDPERS may select one or more finalists with whom NDPERS shall commence contract negotiations. The selection of any shall not imply acceptance by NDPERS of all terms of the finalist's proposal, which may be subject to further negotiations and approvals before NDPERS may be legally bound thereby. If any terms of a proposal are non-negotiable, the non-negotiable terms should be expressly set out in the proposal. If a satisfactory contract cannot be negotiated in a reasonable time, NDPERS, in its sole discretion, may terminate negotiations with the highest ranked proposer and begin contract negotiations with the next highest ranked proposer, and so on until negotiations are successful and a contract has been approved.

### **3.3 Negotiation Requirements**

NDPERS reserves the right to negotiate a change in terms if, in its sole opinion, the representatives assigned by the administrator are not adequately meeting NDPERS's needs for this contract.

### **3.4 Termination**

This RFP in no manner obligates NDPERS or any of its agencies to the eventual procurement of services described, implied or which may be proposed, until confirmed by a written contract. Progress toward this end is solely at the discretion of NDPERS and may terminate at any time prior to the signing of a contract.

NDPERS reserves the right to cancel this RFP at any time and to reject any and all proposals submitted in response to this RFP, if NDPERS determines such action or actions are in its best interest.

### **3.5 Service Provider's Modification and Withdrawal of Proposal**

Service Provider may, without prejudice to itself, modify or withdraw its proposal by written request, provided that the request is received by Callan prior to the proposal due date and time by which the proposal was to be submitted. Following withdrawal of the proposal, Service Provider may submit a new proposal, provided that such new proposal will be received on or before the proposal due date and time.

NDPERS may modify any provision(s) or part(s) of the RFP documents at any time prior to Service Provider selection. Service Providers actively participating in the selection process at the time modifications are made will be notified of the modifications and will be given an opportunity to respond with changes to any previously submitted proposal.

### **3.6 News Releases**

Service Provider is not permitted to announce involvement in or to release any information to third parties regarding this RFP. If any Service Provider is selected to provide services to NDPERS, news releases related to the relationship between Service Provider and NDPERS and any reference to NDPERS as a client must be approved by NDPERS prior to any contact with the media or any other person, including the Service Provider's existing or potential clients.

### 3.7 Subcontracting and Assignment

The agreement when and if awarded may not be subcontracted or assigned in part or whole to another party by the Service Provider without prior written permission of NDPERS.

### 3.8 Blackout Period

For the duration of the RFP process, NDPERS will enter a “blackout” period during which communications and meetings between interested parties and the NDPERS staff and employees will be prohibited. The blackout period will pertain to any communications related to this RFP; regular ongoing work by the plan’s current recordkeeper in the normal course of servicing the plan will be exempted. This blackout will continue until the review and selection of a Service Provider is completed. This blackout is effective immediately upon release of this Request for Proposal.

This blackout will enable NDPERS to treat all respondents fairly during the RFP process and permit a review of the responses without bias. Blackout conditions are outlined below:

- Interested parties are to refrain from meeting or communications with NDPERS employees, staff, or personnel that may impact the selection process.
- This blackout remains in effect until the successful proposer(s) enters into a contractual agreement with NDPERS.
- Communications include telephone conversations, letters, email, and any other standard form of communication.

Interested parties may meet with NDPERS employees only if the meeting consists of an exchange of information that is not relevant to the RFP.

## 4 Plan Sponsor Information

### Organization Background

**The North Dakota Public Employees Retirement System is responsible for the administration of the State’s retirement, health, life, dental, deferred compensation, flex comp, retiree health insurance credit, and EAP programs.**

Pursuant to 54-52-03, <https://www.ndlegis.gov/cencode/t54c52.pdf>, NDPERS is managed by a Board of trustees.

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.



**Background**

**NDPERS IRC Section 457 Deferred Compensation Companion Plan:**

The administration of the deferred compensation plan for public employees was given to NDPERS on July 1, 1987. All state employees are eligible to participate, as well as political subdivision employees, if the governing authority of the political subdivision elects to offer the state plan.

Presently about 8,500 employees have accounts with thirteen investment providers. There are five active providers. Assets are over \$362 million. The Board has developed a plan and contracts with investment providers (mainly insurance companies) to invest the contributions of employees.

The deferred compensation plan is found in Chapter 54-52.2 of the North Dakota Century Code (NDCC). State administrative code allows any provider company to participate in the program that has 50 or more eligible members willing to sign up for their product. NDPERS does not select or monitor the investment products offered by these vendors and does not act as a trustee for their products.

In 1998 NDPERS decided that an additional product should be added that would be: 1) selected by NDPERS based upon a competitive RFP process, 2) that NDPERS would act as the trustee for, 3) that NDPERS would select and monitor the investment products, and 4) the investment products would be mutual funds. This product is called the NDPERS Companion Plan. NDPERS developed a Statement of Investment Policies for this plan. This policy may be viewed at:

<https://www.ndpers.nd.gov/sites/www/files/documents/about/investments/investment-policy-companion-plan.pdf>

NDPERS also has been monitoring the investment products for this plan. This report can also be found on its website at <https://www.ndpers.nd.gov/active-members/retirement-plans-active-members/457-deferred-compensation-active-members>.

The 457 Companion Plan has over \$185.0 million in assets with approximately \$1,400,000 in monthly contributions. TIAA is the present provider for these services. There has been a steady growth in Plan assets and participation.

Date	Assets	Number of Participants
September 2019	\$129.0 million	7,608
September 2020	\$150.3 million	8,506
September 2021	\$186.7 million	8,859
September 2022	\$158.4 million	8,999

NDPERS is currently implementing the requirements of Secure 2.0 and the requirement for Roth contributions on highly compensated catch-up contributions. As part of this process NDPERS is also exploring the possibility of offering Roth contributions as an optional deferral for our participants.

New hires after January 1, 2025 that are participating in the Defined Contribution Plan will receive a one-time irrevocable election to increase their contributions from the statutorily required 4% contribution. Employees have an opportunity to increase their contributions an additional 1%, 2% or 3% (up to a maximum 7%) employee contribution. If the employee elects contributions in excess of 4%, the employer will match the additional contributions being made by the employee. If an employee does not maximize their contribution in the 401(a) Defined Contribution Plan at the onset of employment, the additional contributions and employer match are eligible as a benefit in the Deferred Compensation Plan and is not exclusive to Companion Plan selection.

**NDPERS 401(a) Defined Contribution Plan:**

*Current NDPERS Employees*

The state approved the establishment of a defined contribution plan for certain state employees, effective January 1, 2000. This program is offered as an alternative to the State's defined benefit plan. Eligible employees are not classified by Human Resource Management Services; however, this does not include employees of the University System or the Supreme Court.

In 2013 the legislature changed the eligibility provision to allow all new state employees the option to elect out of the DB plan and join the DC plan within the first six months of employment. Eligibility has since reverted back to only non-classified employees on July 1, 2017.

As of the date of this RFP release, approximately 114 employees are enrolled in the 401(a) Defined Contribution plan. The estimated value of monthly contributions to this plan is approximately \$120,000. Total assets are approximately \$18.6 million. Monthly contributions in the amount of 15.12% of salary are added to the plan each month for each participant enrolled in the plan prior to 2020. For participants first enrolled after January 1, 2020 through December 31, 2024, the monthly contributions total 16.26% of salary. Similar to the Companion Plan the "Statement of Investment Policy" and "Quarterly Report" are available on the NDPERS Web site under Defined Contribution Retirement Plan. TIAA is the present provider for these services.

<https://www.ndpers.nd.gov/active-members/retirement-plans-active-members/defined-contribution-active-members>

### Future NDPERS Employees

Legislation passed during the 68<sup>th</sup> Legislative Assembly requires that all new employees first employed on or after January 1, 2025, participate in a new tiered Defined Contribution Plan, rather than the legacy Defined Benefit Plan. Approximately 5,000 new employees are employed per calendar year so the participation in this plan will substantially increase going forward. For expectations of future contributions, the average salary of State employees is approximately \$50,000 per year. Please review [Enrolled House Bill No. 1040 – Sixty-eighth Legislative Assembly of North Dakota – LC Number 23.0280.07000 \(ndlegis.gov\)](#) for details regarding the requirements due to this legislation.

New hires after January 1, 2025, that are participating in the Defined Contribution Plan will receive a one-time irrevocable election to increase their contributions from the statutorily required 4% contribution. The statutorily required employer contribution is 5.26%. Employees have an opportunity to increase their contributions an additional 1%, 2% or 3% (up to a maximum 7%) employee contribution. If the employee elects contributions in excess of 4%, the employer will match the additional contributions being made by the employee.

If an employee does not maximize their contribution in the 401(a) Defined Contribution Plan at the onset of employment, the additional contributions and employer match are eligible as a benefit in the Deferred Compensation Plan and is not exclusive to Companion Plan selection.

Vesting in the new employer contribution follows the same vesting schedule as the current defined contribution employer vesting schedule (i.e. 0% employer contribution vesting for first 2 years, 50% from 2-3 years, 75% for 3-4 years and 100% after 4 years).

The selected vendor will be responsible for assisting the NDPERS Board in providing member education as follows:

### **North Dakota Century Code 54-52.6-15**

1. The board shall provide information to employees who are eligible under section 54 - 52.6 - 02 or 54 - 52.6 - 02.2 to elect to become participating members under this chapter. The information must include at a minimum the employee's current account balance, the assumption of investment risk under a defined contribution retirement plan, administrative and investment costs, coordination of benefits information, and a comparison of projected retirement benefits under the public employees retirement system under chapter 54-52 and the retirement plan established under this chapter.

2. The board, or the board's vendor, shall provide to participating members:
  - a. Enrollment information that includes benefits of the defined contribution retirement plan, investment options available, the assumption of risk, and administrative and investment costs.
  - b. Ongoing investment and retirement income planning, including education on how to set, measure, and adjust income and saving goals based on desired retirement income and financial objectives, actual behavior, and changing circumstances.
  - c. Retirement income education, including distribution options available and in-plan annuitization options.
  - d. Advice and guidance information, tools, and services primarily focused on long-term planning and investing and life events that potentially influence and impact retirement savings.
3. Notwithstanding any other provision of law, the board is not liable for any election or investment decision made by an employee based upon information provided to an employee under this chapter.

*One-Time Election for Current Employees with less than 5 years of Service:*

State employees with less than 5 years of NDPERS service credit as of January 1, 2025 will have a one-time election period for 3 months from January 1, 2025 through March 31, 2025 during which they will have an opportunity to elect to transfer from the Defined Benefit Main Plan to the new defined contribution plan.

Employees who elect to transfer will be required to sign an election form indicating that they received certain required written materials, consult with an attorney of their choosing at their cost, and are affirmatively and knowingly electing to transfer the present value of their accrued benefit under the current defined benefit plan to the defined contribution plan and that, as a consequence of their election to transfer, they have given up all rights to future benefits under the Defined Benefit plan. All employees will be required to acknowledge that their election is irrevocable. Any employee who does not complete an election form will remain in the defined benefit plan.

*Additional Plan Features*

The plan will not permit employees to make in-service or hardship withdrawals from the Plan. The plan will not permit participants to take loans against their account balances.

The plan will rely on the plan administrative, recordkeeping and investment service provider to provide payouts and tax reporting of payouts under the plan. The State desires that employees have a full range of payout options, including at least one annuity option, from which to choose.

Both the 401(a) Defined Contribution Plan and the 457 Deferred Compensation Companion Plan utilize the same investment options. Additionally, a self-directed brokerage option is currently available. Participants must complete and return a form to NDPERS for approval to utilize the self-directed brokerage option.

## 5 Description of Plan

### 5.1 Background

The purpose of this recordkeeper search is to hire a recordkeeper to administer the NDPERS 401(a) & 457(b) Plans. The 401(a) & 457(b) Plans are currently administered by TIAA.

The following Plan is included in the RFP process:

Plan Name
NDPERS 401(a) & 457(b) Plan

### 5.2 ProposalTech Attachments

In addition to the information provided in this document, the following resources have been made available to you through the ProposalTech system.

- Plan Documents and any pertinent amendments
- Current investment funds in the Plan
- Proposed Investment Structure for the Plan

### 5.3 Meeting Days

NDPERS is interested in offering individual consultation days and webinars for participants. Based on your experience and best practices around communication, please indicate your suggested number of meeting days or webinars. Please indicate your proposed number in both the initial and ongoing years, and whether the meetings would be in-person, web-based, or a combination. There is a preference for providers that can provide locations around North Dakota for these services.

You will be able to provide your response regarding the meeting/communication strategy in the communication section of the custom questionnaire. Please separately detail any costs associated with additional meeting days.

### 5.4 Investment Fund Lineup

The Plan’s investment fund lineup will be revised in conjunction with this process. The defined contribution plan’s investment structure will need to comply with House Bill 1040 to include an in-plan annuity option. Providing bundled investment proposals will cause your proposal to be considered non-responsive and result in disqualification.

### 5.5 Fees

We are requesting you provide us with the revenue your firm requires to run the Plans as a per participant hard dollar fee. Account balances under \$1,000 will not be assessed a fee. As of June 30, 2023, there were 2,255 accounts with less than \$1,000. In September 2023, 395 accounts (terminated status) will be forced out as part of the annual small benefit distribution. For pricing purposes, please assume a 4-year contract with two, two-year renewal opportunities. See the Fee Matrix for additional fee-related requests.

## 6 General Questionnaire

All RFP questions should be answered clearly and completely. Please respond based on EXISTING functionality, not prospective functionality. Prospective functionality should be included, however, so we understand your technology strategy, but must be CLEARLY noted as prospective functionality. You may add attachments within the ProposalTech system to the extent such material augments your responses to a particular question.

### 6.1 General

6.1.1 Please provide the requested information for your company:

	Response
Company Name	<i>Unlimited.</i>
Primary Contact Name	<i>Unlimited.</i>

Primary Contact Title	<i>Unlimited.</i>
Primary Contact Phone Number	<i>Unlimited.</i>
Primary Contact Email Address	<i>Unlimited.</i>
Fax Number	<i>Unlimited.</i>
Remittance Address	<i>Unlimited.</i>

6.1.2 Please confirm that in addition to this Custom Questionnaire, you have also updated the 2023 General Questionnaire.

*Yes/No.*

6.1.3 In addition to the above, please confirm which size segment of the 2023 General Questionnaire the Plan would fall into.

*Single, Pull-down list.*

- 1: Core,
- 2: Large,
- 3: Mega,
- 4: Tax Exempt,
- 5: Public

6.1.4 Please detail any major improvements/enhancements your firm has made to DC recordkeeping services over the past three years. What enhancements do you have planned for the next three years?

*Unlimited.*

6.1.5 Please discuss your growth strategy for the next three years. Include the client profiles or lines of business that are critical to the strategy. Also, discuss the investments that will be important to drive growth.

*Unlimited.*

## **6.2 Clients and References**

6.2.1 How many public sector plans do you currently administer in the following categories?

	Number of Plans	Total Number of Participants	Total Amount of Assets	Median Amount of Assets
Under 100 participants	<i>Decimal.</i>	<i>Decimal.</i>	<i>Dollars.</i>	<i>Dollars.</i>
101 to 250 participants	<i>Decimal.</i>	<i>Decimal.</i>	<i>Dollars.</i>	<i>Dollars.</i>
250 to 500 participants	<i>Decimal.</i>	<i>Decimal.</i>	<i>Dollars.</i>	<i>Dollars.</i>
501 to 1,000 participants	<i>Decimal.</i>	<i>Decimal.</i>	<i>Dollars.</i>	<i>Dollars.</i>
1,001 to 5,000 participants	<i>Decimal.</i>	<i>Decimal.</i>	<i>Dollars.</i>	<i>Dollars.</i>
5,001 to 10,000 participants	<i>Decimal.</i>	<i>Decimal.</i>	<i>Dollars.</i>	<i>Dollars.</i>
10,001 to 50,000 participants	<i>Decimal.</i>	<i>Decimal.</i>	<i>Dollars.</i>	<i>Dollars.</i>
Over 50,001 participants	<i>Decimal.</i>	<i>Decimal.</i>	<i>Dollars.</i>	<i>Dollars.</i>

6.2.2 How many public sector plans do you currently administer in the following categories?



	Number of Plans	Total Number of Participants	Total Amount of Assets	Median Amount of Assets
Under \$20 million	<i>Decimal.</i>	<i>Decimal.</i>	<i>Dollars.</i>	<i>Dollars.</i>
\$20 million to \$50 million	<i>Decimal.</i>	<i>Decimal.</i>	<i>Dollars.</i>	<i>Dollars.</i>
\$50 million to \$100 million	<i>Decimal.</i>	<i>Decimal.</i>	<i>Dollars.</i>	<i>Dollars.</i>
\$100 million to \$500 million	<i>Decimal.</i>	<i>Decimal.</i>	<i>Dollars.</i>	<i>Dollars.</i>
\$500 million to \$1 billion	<i>Decimal.</i>	<i>Decimal.</i>	<i>Dollars.</i>	<i>Dollars.</i>
Greater than \$1 billion	<i>Decimal.</i>	<i>Decimal.</i>	<i>Dollars.</i>	<i>Dollars.</i>

6.2.3 How many DC plans do you currently support that are in the public sector? How many of these plans are of a similar size to the NDPERS? How many are State plans?

*Unlimited.*

6.2.4 Describe your experience assisting public sector clients transitioning from a defined benefit system to a defined contribution system for new hires. How many have been in the last five (5) years?

*Unlimited.*

6.2.5 Is there or has there been any litigation or legal action against your firm? If yes, please explain.

*Unlimited.*

### 6.3 Team and Servicing

6.3.1 Please provide the names, roles, and backgrounds of those individuals who would be assigned to the Plan on an ongoing basis (e.g., relationship manager, day-to-day contact, communications, compliance).

	Team Member 1	Team Member 2	Team Member 3	Team Member 4	Team Member 5	Team Member 6	Team Member 7
<b>Name</b>	<i>Unlimited</i> .	<i>Unlimited</i> .	<i>Unlimited</i> .	<i>Unlimited</i> .	<i>Unlimited</i> .	<i>Unlimited</i> .	<i>Unlimited</i> .
<b>Title</b>	<i>Unlimited</i> .	<i>Unlimited</i> .	<i>Unlimited</i> .	<i>Unlimited</i> .	<i>Unlimited</i> .	<i>Unlimited</i> .	<i>Unlimited</i> .
<b>Role</b>	<i>Unlimited</i> .	<i>Unlimited</i> .	<i>Unlimited</i> .	<i>Unlimited</i> .	<i>Unlimited</i> .	<i>Unlimited</i> .	<i>Unlimited</i> .
<b>Location</b>	<i>Unlimited</i> .	<i>Unlimited</i> .	<i>Unlimited</i> .	<i>Unlimited</i> .	<i>Unlimited</i> .	<i>Unlimited</i> .	<i>Unlimited</i> .
<b>Total years with your firm</b>	<i>Decimal.</i>	<i>Decimal.</i>	<i>Decimal.</i>	<i>Decimal.</i>	<i>Decimal.</i>	<i>Decimal.</i>	<i>Decimal.</i>
<b>Total industry years</b>	<i>Decimal.</i>	<i>Decimal.</i>	<i>Decimal.</i>	<i>Decimal.</i>	<i>Decimal.</i>	<i>Decimal.</i>	<i>Decimal.</i>
<b>Current client assignments (i.e., number of clients served and size of those plans by \$</b>	<i>Unlimited</i> .	<i>Unlimited</i> .	<i>Unlimited</i> .	<i>Unlimited</i> .	<i>Unlimited</i> .	<i>Unlimited</i> .	<i>Unlimited</i> .

<b>and #)</b>							
<b>Total number of participants in the current client assignments</b>	<i>Integer.</i>	<i>Integer.</i>	<i>Integer.</i>	<i>Integer.</i>	<i>Integer.</i>	<i>Integer.</i>	<i>Integer.</i>
<b>Total amount of assets in the current client assignments</b>	<i>Dollars.</i>	<i>Dollars.</i>	<i>Dollars.</i>	<i>Dollars.</i>	<i>Dollars.</i>	<i>Dollars.</i>	<i>Dollars.</i>
<b>% of time commitment during conversion</b>	<i>Percent.</i>	<i>Percent.</i>	<i>Percent.</i>	<i>Percent.</i>	<i>Percent.</i>	<i>Percent.</i>	<i>Percent.</i>
<b>% of time commitment ongoing</b>	<i>Percent.</i>	<i>Percent.</i>	<i>Percent.</i>	<i>Percent.</i>	<i>Percent.</i>	<i>Percent.</i>	<i>Percent.</i>
<b>Why selected for the Plan?</b>	<i>Unlimited</i> .	<i>Unlimited</i> .	<i>Unlimited</i> .	<i>Unlimited</i> .	<i>Unlimited</i> .	<i>Unlimited</i> .	<i>Unlimited</i> .
<b>Additional Information</b>	<i>Unlimited</i> .	<i>Unlimited</i> .	<i>Unlimited</i> .	<i>Unlimited</i> .	<i>Unlimited</i> .	<i>Unlimited</i> .	<i>Unlimited</i> .

6.3.2 Provide an organization chart denoting all the functional staff positions to be utilized for the Plan.

*Single, Pull-down list.*

1: Attached,

2: Not Provided

6.3.3 Describe team structure and how you will ensure sufficient service team coverage needed to meet service objectives. Discuss how changes in personnel will be handled including transition planning to ensure adequately trained personnel are always available.

*Unlimited.*

6.3.4 Describe how functional groups of non-dedicated or non-assigned resources support the assigned team.

*Unlimited.*

6.3.5 With what frequency will your firm meet with NDPERS? On an ongoing basis, how often will you conduct status meetings, project-related meetings, strategic meetings, etc.? Please note, NDPERS would want weekly meetings during the conversion period, including the first two or three months after conversion. Following this period, staff prefers to have monthly administrative check-in calls with their recordkeeper.

*Unlimited.*

6.3.6 Is there one main point of contact for NDPERS, or separate contacts for different functions? Is there a direct line or extension to the contact(s)? How does the contact(s) manage frequent one-off-requests?

*Unlimited.*

6.3.7 Discuss the planning process account managers prepare on behalf of each client. Include the extent to which the client is involved, the incentive measures linked to clients' annual goals, and the project management tools in place to achieve goals. Please provide samples of your internal project plan reports.

*Unlimited.*

6.3.8 What is your standard turnaround time for responding to inquiries from Plan Sponsor?

*50 words.*

## 6.4 Conversion

6.4.1 Identify by name the people who will work with NDPERS in the conversion process for its Plan. Please provide detailed information in the below table.

	<b>Team Member 1</b>	<b>Team Member 2</b>	<b>Team Member 3</b>	<b>Team Member 4</b>	<b>Team Member 5</b>
<b>Name</b>	<i>Unlimited.</i>	<i>Unlimited.</i>	<i>Unlimited.</i>	<i>Unlimited.</i>	<i>Unlimited.</i>
<b>Title</b>	<i>Unlimited.</i>	<i>Unlimited.</i>	<i>Unlimited.</i>	<i>Unlimited.</i>	<i>Unlimited.</i>

<b>Role</b>	<i>Unlimited.</i>	<i>Unlimited.</i>	<i>Unlimited.</i>	<i>Unlimited.</i>	<i>Unlimited.</i>
<b>Location</b>	<i>Unlimited.</i>	<i>Unlimited.</i>	<i>Unlimited.</i>	<i>Unlimited.</i>	<i>Unlimited.</i>
<b>Total years with your firm</b>	<i>Decimal.</i>	<i>Decimal.</i>	<i>Decimal.</i>	<i>Decimal.</i>	<i>Decimal.</i>
<b>Total industry years</b>	<i>Decimal.</i>	<i>Decimal.</i>	<i>Decimal.</i>	<i>Decimal.</i>	<i>Decimal.</i>
<b>How many other conversions will they be engaged in simultaneously?</b>	<i>Unlimited.</i>	<i>Unlimited.</i>	<i>Unlimited.</i>	<i>Unlimited.</i>	<i>Unlimited.</i>
<b>Qualifications and number of prior conversions at your firm</b>	<i>Unlimited.</i>	<i>Unlimited.</i>	<i>Unlimited.</i>	<i>Unlimited.</i>	<i>Unlimited.</i>
<b>Additional Information</b>	<i>Unlimited.</i>	<i>Unlimited.</i>	<i>Unlimited.</i>	<i>Unlimited.</i>	<i>Unlimited.</i>

6.4.2 Attach a detailed conversion project schedule assuming the business is awarded in December 2023 and the conversion occurs on July 1, 2024.

*Unlimited.*

6.4.3 How long is the anticipated blackout period? Be sure to separate blackouts from the outgoing service provider and blackouts associated with standing up the plan on your system.

*Unlimited.*

6.4.4 What access/transactions are available during the conversion and blackout?

*Unlimited.*

6.4.5 Provide a listing of clients similar in size and complexity to the Plan you have converted within the last two years. Provide client name, provider(s) they converted from, total number of participants, and assets.

*Unlimited.*

6.4.6 How many DC plans have you converted from the Plan's current recordkeeper in the last three (3) years? In converting other DC plans from the incumbent recordkeeper, what challenges have you encountered?

*Unlimited.*

6.4.7 Have any clients severed their relationship with your firm for cause in the last 3 years. Please explain.

*Unlimited.*

6.4.8 What participant history is converted over? After conversion, will participants be able to see any balance history prior to the conversion date?

*Unlimited.*

6.4.9 Explain how interface testing will be conducted prior to "go live" date.

*Unlimited.*

6.4.10 At conversion, what is your preferred method of obtaining beneficiary information - do you convert existing beneficiaries to your system or do you prefer to conduct a beneficiary re-solicitation?

*Unlimited.*

6.4.11 Upon termination of a client relationship, what data does your firm provide to the plan sponsor for their records (i.e., participant transaction data, balance data, imaged forms, etc.)?

*Unlimited.*

6.4.12 What is the involvement that will be required from the client (expected roles and functional area) during the conversion process? What is the estimated number of NDPERS full-time equivalent personnel needed throughout the conversion?

*Unlimited.*

6.4.13 At what point in advance of the transfer of assets will the call center and participant website be available to provide general plan and conversion information to participants?

*Unlimited.*

6.4.14 Discuss your approach to communications (website, mailing, onsite sessions) as part of the implementation process to announce the transition, educate participants on new processes, and increase participation. Please provide the milestone conversion communication pieces and approximate dates for the time period leading up to the conversion.

*Unlimited.*

6.4.15 Detail what guarantees (e.g., financial penalties for missed goals, systemic and/or recordkeeping errors) your firm is willing to make for the conversion process.

*Unlimited.*

## **6.5 Communication / Education**

6.5.1 Describe a typical annual process to determine communications goals, what communications will be delivered throughout the year and what method of delivery will be utilized. Detail when and how you will determine if the goals are met. Please provide an annual ongoing communications calendar. Are employee communications provided via hard copy, email or both?

*Unlimited.*

6.5.2 What communications and participant education services are included in your proposal (e.g., standard, customized, and compliance notices)? Provide a proposed detailed inventory of the types and number of interventions with participants throughout the year. Itemize the included services and those that are at an additional cost, including postage and distribution costs. Please provide samples of your education materials. How frequently are your welcome kits updated? Please provide a sample.

*Unlimited.*

6.5.3 What level of customization/personalization/targeting do you envision and allow for the Plan's communication materials? Describe how your targeting can be defined and if you are able to target various groups within the overall population (e.g., by division, location, participants who are eligible but not using catchup contributions, participants without beneficiaries, diversification issues, etc.).

*Unlimited.*

6.5.4 How does your firm measure the success of communication campaigns? How soon after mailings are statistics supplied to NDPERS? Please provide samples from your most successful conversion campaign and a participation campaign, along with background as to what made these campaigns successful.

*Unlimited.*

6.5.5 Confirm NDPERS ability to take part in the creation/editing of communications. Please provide detail on what communications/media can be customized and co-branded. Confirm if this includes plan name, logo, colors, images, font, and text of communications.

*Unlimited.*

6.5.6 NDPERS is interested in offering meeting days, in-person, virtually or a combination, and webinars. Based on your experience and your best practices around communication, please indicate your suggested number of meetings/webinars and the number of group meetings or one-on-one meetings included in each meeting day. In this scenario, indicate your proposed number of meeting days in both the initial and ongoing years. What is the cost associated with your proposed meeting/webinar

strategy? Be sure to detail the presence you have to offer in-person meeting locations around the State for group education and one-on-one sessions.

*Unlimited.*

6.5.7 For the meeting days or webinars, please provide the qualifications for the presenter - are they licensed? Do they receive presentation training?

*Unlimited.*

6.5.8 Please describe the educational content and support provided for participants (estimated retirement calculator, service purchase funds transfer assistance, investment options, allocation changes, account balance information, distribution election options, completion of enrollment/application forms, brochures). How do participants access this content?

*Unlimited.*

6.5.9 If the individuals providing education and interfacing with participants in-person are fiduciaries, or can act in a fiduciary capacity, provide a description of the services for which they will, and will not, act as a fiduciary. Be exceptionally clear. For the purposes of this question, indicating that an independent financial expert (such as Financial Engines, or Morningstar) will be used does not meet the standard of providing fiduciary services. Provide a copy of the text that participants may access that describes the fiduciary relationship between your firm and the participant.

*Unlimited.*

6.5.10 Do you offer 'push technology' via the mobile app, text communications, or email?

*Multi, Checkboxes.*

- 1: Yes, mobile app,
- 2: Yes, text communications,
- 3: Yes, email,
- 4: No

6.5.11 Can participants have the option to "turn off" any non-required mailings?

*Single, Radio group.*

- 1: Yes,
- 2: No

## **6.6 Compliance**

6.6.1 What compliance services are included in your offer? Please provide a detailed list. Please give additional compliance services available, along with pricing.

*Unlimited.*

6.6.2 Can you include other communications in the same envelope as the quarterly statement? E.g., required notices and disclosures, or communications targeted and limited to a certain group of employees.



*Single, Radio group.*

1: Yes,  
2: No

6.6.3 In the plan audit process, how many hours of auditing support do you include in the proposal? Describe your standard audit support and best practices.

*Unlimited.*

6.6.4 Does the client servicing team perform the audit support or are these types of functions performed by a separate team?

*Unlimited.*

6.6.5 Describe your process for notifying plan sponsors of important legislative and regulatory activity. What types of actions do you take (for example, quarterly newsletter, etc.)?

*Unlimited.*

6.6.6 Discuss the services and tools you provide to clients to assist in the understanding and management of their fiduciary responsibilities.

*Unlimited.*

6.6.7 Clearly describe your fiduciary status as it relates to the plans. Please be specific on which services and which instances you act as a fiduciary and those where you do not.

*Unlimited.*

## **6.7 VRS**

6.7.1 Attach a copy of the standard voice response menu.

*Single, Pull-down list.*

1: Attached,  
2: Not provided

6.7.2 What records will be made and maintained of participant contacts to VRS?

*Unlimited.*

## **6.8 Call Center**

6.8.1 Describe how calls are routed in the call center (e.g., toll-free customer service number, dedicated team, based on event, to a semi-dedicated group, same representative as prior calls). How are peak times/days handled?

*Unlimited.*

6.8.2 Describe how call center representatives are trained on the specifics of the Plan, how they are informed of current initiative or plan communications, and how you can support plan-centric culture training.

*Unlimited.*

6.8.3 Can you limit CSRs to U.S. based only? If not, explain.

*Unlimited.*

6.8.4 Please list the location of all call centers that are expected to handle the Plan's participant calls. Will one be the primary call center for the Plan?

*Unlimited.*

6.8.5 What are the call center hours of operation? What is the cost impact to expand the call center hours beyond the standard hours?

*Unlimited.*

6.8.6 Describe how you handle (process, timing, sites available) for call center backup or offload to other sites if one site is down.

*Unlimited.*

6.8.7 Will you allow members of NDPERS to listen to recorded call center calls?

*Single, Radio group.*

1: Yes,

2: No, please explain: [ Unlimited ]

6.8.8 Do you provide webchat service?

*Yes/No.*

6.8.9 What records will be made and maintained of participant contacts with the Call Center?

*Unlimited.*

6.8.10 What incentives do you offer to call center representatives for handling of calls - based on length of calls, resolution, etc.?

*Unlimited.*

## **6.9 Participant Website**

6.9.1 Provide a sample login id and password, enabling us to test a sample participant website. Please be sure the password provided does not expire for at least 4 months.

*Unlimited.*

6.9.2 Provide a sample login id and password, enabling us to test a sample mobile app. Please be sure the password provided does not expire for at least 4 months.

*Unlimited.*

6.9.3 Can plan specific documents (e.g., SPD, notices, etc.) be posted on your website? Describe where these documents would be housed within your participant website.

*Unlimited.*

6.9.4 What is the level of customization that the plan sponsor can have over the website? For example, can text be customized by the plan sponsor? Does the plan sponsor have any flexibility in how the fund lineup is displayed?

*Unlimited.*

6.9.5 Describe educational resources and tools that are currently available on your website, including those that focus on engaging participants and preparing pre-retirees for retirement.

*Unlimited.*

6.9.6 Can participants process withdrawals and distributions online or is this done through the call center?

*Unlimited.*

6.9.7 Please describe your mobile capabilities. Do you have inquiry only features or are transactions available? If transactions are available, please list them.

*Unlimited.*

6.9.8 How far back can participants go back on the participant website to retrieve data? Is all data available over this timeframe or only certain data elements?

*Unlimited.*

6.9.9 What records will be made and maintained of participant contacts with the participant website?

*Unlimited.*

## **6.10 Plan Sponsor Reporting and Website**

6.10.1 Provide a sample username and password enabling us to view a demo of the plan sponsor site. Please be sure the password provided does not expire for at least 4 months.

*Unlimited.*

6.10.2 Please provide a list and explanation of the reporting capabilities on the site, specifically noting what types of reports come pre-packaged and what types of reports would be considered custom. How much flexibility is there in the reports?

*Unlimited.*

6.10.3 How far back can the plan sponsor go back to pull and view participant data on the plan sponsor website?

*Unlimited.*

6.10.4 Should staff want to run quarterly metrics (such as participation rate, asset allocation, etc.), are they able to run the reports via the plan sponsor website themselves, or do they need to reach out to their team contact to run the reports? Additionally, are they able to “slice” the data based on different employers?

*Unlimited.*

6.10.5 Would the staff be able to benchmark their plan against other clients/plans administered by your firm? Are these stats readily available?

*Unlimited.*

6.10.6 Please provide the standard turnaround time for ad hoc reports, both standard reports and more complex reports.

*Unlimited.*

6.10.7 Please provide an example of a standard monthly report for plan sponsor use (i.e., reporting on plan performance, investments, key plan metrics, etc.). Your monthly report must either be in Excel or exportable to Excel.

*Single, Pull-down list.*

1: Attached,

2: Not provided

6.10.8 How do you ensure the accuracy of the reporting? Please demonstrate the balancing of Trust reports to the recordkeeping system and all other financial reports. Example: Trial balance = contribution report.

*Unlimited.*

## **6.11 Processing and Administration**

6.11.1 Please confirm your ability to administer the Plan according to the plan documentation included in the supplemental information section of the RFP.

*Yes/No.*

6.11.2 In terms of plan provisions and processes, have you identified any aspect of the Plan's requirements that would cause a deviation from your normal service standards? Describe any plan provisions or processes for the Plan that are problematic within your recordkeeping and administration environment as well as a proposed or alternate solution. If any manual processes are required to administer the Plan, describe them here. Timely processing of service purchase transfers are required for funds transfers to be initiated from the 457 plan to the Defined Benefit Plan by completion of the NDPERS approved state form to be in good order.

*Unlimited.*

6.11.3 A copy of the plans' current file layout is included as an attachment. Please confirm your ability to utilize this file and note any changes that would be required.

*Unlimited.*

6.11.4 Confirm your ability to post payroll same day once the payroll file has been received in good order by your firm?

*Unlimited.*

6.11.5 Describe your process for accepting negative contributions.

*Unlimited.*

6.11.6 How many money types (sources) does your system allow?

*Unlimited.*

6.11.7 If there is a missing beneficiary and a death event occurs, how is this handled?

*Unlimited.*

6.11.8 Is direct deposit/ACH available for participant withdrawals, and distributions?

*Multi, Checkboxes.*

1: Yes, for DC withdrawals,

2: Yes, for DC distributions,

3: Yes, for DC loans,

4: No

6.11.9 Describe the plan sponsor's ability to choose to implement or not implement global enhancements. List recent global enhancements, identifying where plan sponsor choice was allowed.

*Unlimited.*

6.11.10? The NDPERS distribution and transfer of funds forms for active employees are included as an attachment. Please advise if NDPERS forms would be 1) accepted, 2) allowed with modification or 3) not accepted as the use of specific vendor forms are required. For terminated participants, NDPERS requires that the vendor forms be completed.

*Unlimited.*

6.11.12 Please describe your processes for handling re-hires.

*Unlimited.*

6.11.13 How are pre-tax and catch-up contributions handled? Are they bundled or separate?

*Unlimited.*

6.11.14 Confirm any external parties that may support plan administration (e.g., QDROs).

*Unlimited.*

6.11.15 You will be required to assist employees who are terminating employment or retiring to elect distribution from the plan and a range of payout options (including lump sums, systematic withdrawals and annuity payments). Confirm your ability to handle all tax withholding and reporting, and required notices.

## **6.12 Investments Capabilities**

6.12.1 The proposed bid should not contain any proprietary fund expectations. Please confirm that your bid does not have any proprietary fund expectations.

*Yes/No.*

6.12.2 Please confirm your ability to recordkeep the existing fund lineup, and any exceptions. Do you anticipate any issues with the current lineup? If you do, please detail how your firm would expect to service those assets, and participants with assets invested in funds that either cannot be mapped to your firm by the plan sponsor, or that cannot be recordkept by your firm.

*Unlimited.*

6.12.3 Please provide any revenue sharing agreements/amounts your firm has for any of the funds the Plan uses (you may include this information here or in the fee matrix).

*Unlimited.*

6.12.4 Please describe the time and steps needed to add or delete a fund. Describe how that timing may vary based on an investment manager you currently have a relationship with, compared to one where an agreement is not currently in place. Describe your standard blackout window and the process to communicate the changes to the fee disclosure, and identify any additional costs.

*Unlimited.*

## **6.13 Third Party Interfacing and Other Services**

6.13.1 Do you offer Advice and Managed Accounts? Who provides these services? Please describe the Advice and Managed Accounts services offered. Please address the integration between your system and the provider.

*Unlimited.*

6.13.2 Do you offer or provide access to a Retirement Income solution, either in-plan or out-of-plan? Describe the solution, how long you have offered it, how many clients currently utilize the solution and average participant utilization in those plans.

*Unlimited.*

6.13.3 Please provide a list of all Retirement Income solutions available on your platform. Note if they are in-plan or out-of-plan options.

*Unlimited.*

6.13.4 Please provide the name of the internal custodian or the external custodian(s) you work with. Please describe your trust/custody capabilities if internally provided or if an external partner is used, please describe their capabilities and the infrastructure in place between the organizations.

*Unlimited.*

6.13.5 For check writing and 1099 services, do you perform this in-house or do you use a third party?

*Unlimited.*

6.13.6 Is there any potential for employees to be paid more for engaging in referrals to third parties or proprietary investments? Please take note: a description of lack of direct and immediate commissions is insufficient as an answer to this question. Responses will be compared to disclosures from your form ADV. If referrals or proprietary asset management are factors in total bonus calculation or other compensation for staff who may be involved in providing guidance or advice to participants, please disclose the compensation and incentive structures in detail.

*Unlimited.*

## **6.14 SECURE 2.0**

6.14.1 Please confirm your ability to implement and administer the required provisions of the SECURE 2.0 Act of 2022 (SECURE 2.0). Be sure to address in detail the ability to implement catch-up contributions on a Roth basis; changes made to the required minimum distribution rules; and the increase in the small-dollar cash-out limit from \$5,000 to \$7,000.

*Unlimited.*

6.14.2 Please confirm your ability to implement and administer the optional provisions of the SECURE 2.0 Act of 2022 (SECURE 2.0). Be sure to address in detail the following areas: higher limits on catch-up contributions for individuals ages 60-63; emergency savings “side-car” accounts; matching student loan payments; and employer matching and non-elective contributions on a Roth basis.

*Unlimited.*

## **6.15 Revenue Management and Contracting**

6.15.1 Describe your billing practices for services, including the frequency of invoices for each service, payment terms, and the level of detail provided to support the charges.

*Unlimited.*

6.15.2 Are you willing to implement a service level agreement with fees at risk for each standard? If so, please provide the service level agreements and fees at risk as either a dollar or a percentage of fees.

You may include this on the "Performance Standards" tab of the Fee Matrix. Please confirm that you have updated that tab.

*Unlimited.*

6.15.3 Describe your ability to calculate and allocate revenue sharing back to participant accounts. Describe the timing for both the calculation and allocation, and your process if a participant were to leave the Plan before receiving such an allocation. How does the allocation appear on participant statements?

*Unlimited.*

6.15.4 Please outline any cross-selling processes and requirements that your firm has (including any rollover capture activities and cross-marketing with plan information) should your firm be selected as the recordkeeper for the Plan. Please note, NDPERS intends to prohibit cross-selling or non-retirement communications be sent to participants.

*Unlimited.*

6.15.5 Please outline the types of one-time projects that will and will not be included under the proposed fees (i.e., fund changes, mergers/acquisitions, company contribution changes, benchmarking requests, etc.). Please note, NDPERS would like you to include two fund changes during a 24-month period in your response.

*Unlimited.*

6.15.6 Describe fees that may apply after the conversion if the payroll system or processing is changed. Describe how fees are determined and provide a general estimate of the potential cost ranges.

*Unlimited.*

6.15.7 Please describe any variables that can affect your fees (i.e., inflation, significant increase in population size, recordkeeping one plan vs. multiple Plan, use of proprietary funds, etc.).

*Unlimited.*

6.15.8 Describe any termination fees and when they would be assessed. Include a description of when those fees would be waived (e.g., termination of services due to negligence).

*Unlimited.*

6.15.9 We are requesting you provide us with the revenue your firm requires to run the Plan as a per participant hard dollar fee. Please assume a 4-year contract with two, two-year renewal opportunities. Please outline all fees as specified in the attached Fee Matrix.

*Single, Pull-down list.*

1: Pricing attached,

2: Not provided



## **7 Attachments**

7.1 All attachments and reference documentation are located on the Manage Documents page. A link has been provided in the left-hand side menu. You will find the following attachments.

- Plan Documents and any pertinent amendments
- Current investment funds in the Plan
- Fee Matrix, including Proposed Investment Structure
- File Format
- Plan data spreadsheet

## **SECTION # - CONFIDENTIAL/PROPRIETARY INFORMATION**

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### **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 format 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 has submitted a redacted copy of the proposal on a USB flash drive labeled “REDACTED” that accurately and completely redacts the information noted in the table below.**

\_\_\_\_\_ 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)
<i>Insert rows above as necessary</i>				
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)
<i>Insert rows above as necessary</i>				

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 \_\_\_\_\_, 2023.  
\_\_\_\_\_  
(Signature)

## **SECTION # - OFFER (Agreements)**

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### **AGREEMENT FOR SERVICES BETWEEN (Name of Contractor) AND NORTH DAKOTA PUBLIC EMPLOYEES RETIREMENT SYSTEM**

VENDOR (hereinafter CONTRACTOR) has offered to provide services to the State of North Dakota acting through its Public Employees Retirement System (hereinafter NDPERS). The terms of this Contract shall constitute the services agreement ("Agreement").

CONTRACTOR and NDPERS agree to the following:

- 1) **SCOPE OF SERVICES:** CONTRACTOR agrees to provide the service(s) as specified in the 2023 bid document and VENDOR proposal (attached hereto and incorporated by reference Exhibit A).
- 2) **TERM:** The term of this contract shall commence January 1, 2024.
- 3) **FEES:** NDPERS shall only pay pursuant to the terms in Exhibit A.
- 4) **BILLINGS:** NDPERS will pay for the services provided by CONTRACTOR under this contract pursuant to Exhibit A.
- 5) **TERMINATION:** Either party may terminate this agreement with thirty (30) days written notice mailed to the other party, or as mutually agreed to by the parties. Upon any termination the CONTRACTOR shall be compensated as described in Exhibit A for services performed up to the date of termination.

In addition, NDPERS by written notice to CONTRACTOR may terminate the whole or any part of this Agreement under any of the following conditions:

- i. If funding from federal, state, or other sources is not obtained and continued at levels sufficient to allow for purchase of the services or supplies in the indicated quantities or term.
- ii. If federal or state laws or rules are modified or interpreted in a way that the services are no longer allowable or appropriate for purchase under this Agreement or are no longer eligible for the funding proposed for payments authorized by this Agreement.
- iii. If any license, permit, or certificate required by law or rule, or by the terms of this Agreement, is for any reason denied, revoked, suspended, or not renewed.

Termination of this Agreement under this subsection is without prejudice to any obligations or liabilities of either party already accrued prior to termination. In addition, NDPERS may terminate this Agreement effective upon thirty (30) days prior written notice to CONTRACTOR, or any later date stated in the notice:

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

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

- 6) **ASSIGNMENT AND SUBCONTRACTS:** CONTRACTOR may not assign or otherwise transfer or delegate any right or duty without STATE's express written consent, provided, however, that CONTRACTOR may assign its rights and obligations hereunder in the event of a change of control or sale of all or substantially all of its assets related to this Contract, whether by merger, reorganization, operation of law, or otherwise. Should Assignee be a business or entity with whom STATE is prohibited from conducting business, STATE shall have the right to terminate without cause.

CONTRACTOR may enter into subcontracts provided that any subcontract acknowledges the binding nature of this Contract and incorporates this Contract, including any attachments. CONTRACTOR is solely responsible for the performance of any subcontractor with whom CONTRACTOR contracts. CONTRACTOR does not have authority to contract for or incur obligations on behalf of NDPERS.

- 7) **ACCESS TO RECORDS AND CONFIDENTIALITY:** The parties agree that all participation by NDPERS members and their dependents in programs administered by NDPERS is confidential under North Dakota law. CONTRACTOR may request and NDPERS shall provide directly to CONTRACTOR upon such request, confidential information necessary for CONTRACTOR to provide the services described in Exhibit A. CONTRACTOR shall keep confidential all NDPERS information obtained in the course of delivering services. Failure of CONTRACTOR to maintain the confidentiality of such information may be considered a material breach of the contract and may constitute the basis for additional civil and criminal penalties under North Dakota law. CONTRACTOR has exclusive control over the direction and guidance of the persons rendering services under this Agreement. Upon termination of this Agreement, for any

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

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

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

- 8) **APPLICABLE LAW AND VENUE:** This Agreement is governed by and construed in accordance with the laws of the State of North Dakota. Any action to enforce this Contract must be adjudicated exclusively in the state District Court of Burleigh County, North Dakota. Each party consents to the exclusive jurisdiction of such court and waives any claim of lack of jurisdiction or *forum non conveniens*.
- 9) **MERGER AND MODIFICATION:** This Agreement, including the following documents, constitutes the entire agreement between the parties. There are no

understandings, agreements, or representations, oral or written, not specified within this Agreement. This Agreement may not be modified, supplemented or amended, in any manner, except by written agreement signed by both parties.

Notwithstanding anything herein to the contrary, in the event of any inconsistency or conflict among the documents making up this Agreement, the documents must control in this order of precedence: First – the terms of this Agreement, as may be amended and Second - the state's Request for Proposal (attached in Exhibit A) and Third – CONTRACTOR's Proposal (attached in Exhibit A). No waiver, consent, modification or change of terms of this Agreement shall bind either party unless in writing and signed by both parties. Such waiver, consent, modification or change, if made, shall be effective only in the specific instances and for the specific

purpose given. There are no understandings, agreements, or representations, oral or written, not specified herein regarding this Agreement.

- 10) **INDEMNITY:** CONTRACTOR agrees to defend, indemnify, and hold harmless the state of North Dakota, its agencies, officers and employees (State), from and against claims based on the vicarious liability of the State or its agents, but not against claims based on the State's contributory negligence, comparative and/or contributory negligence or fault, sole negligence, or intentional misconduct. This obligation to defend, indemnify, and hold harmless does not extend to professional liability claims arising from professional errors and omissions. The legal defense provided by CONTRACTOR to the State under this provision must be free of any conflicts of interest, even if retention of separate legal counsel for the State is necessary. Any attorney appointed to represent the State must first qualify as and be appointed by the North Dakota Attorney General as a Special Assistant Attorney General as required under N.D.C.C. § 54-12-08. CONTRACTOR also agrees to defend, indemnify, and hold the State harmless for all costs, expenses and attorneys' fees incurred if the State prevails in an action against CONTRACTOR in establishing and litigating the indemnification coverage provided herein. This obligation shall continue after the termination of this Agreement.
  
- 11) **INSURANCE:** Contractor shall secure and keep in force during the term of this agreement and Contractor shall require all subcontractors, prior to commencement of an agreement between Contractor and the subcontractor, to secure and keep in force during the term of this agreement, from insurance companies, government self-insurance pools or government self-retention funds, authorized to do business in North Dakota, the following insurance coverages:
  - 1) Commercial general liability, including premises or operations, contractual, and products or completed operations coverages (if applicable), with

minimum liability limits of \$2,000,000 per occurrence.

- 2) Automobile liability, including Owned (if any), Hired, and Non-Owned automobiles, with minimum liability limits of \$500,000 per person and \$2,000,000 per occurrence.
- 3) Workers compensation coverage meeting all statutory requirements. The policy shall provide coverage for all states of operation that apply to the performance of this contract.
- 4) Employer's liability or "stop gap" insurance of not less than \$2,000,000 as an endorsement on the workers compensation or commercial general liability insurance.
- 5) Professional errors and omissions with minimum limits of \$1,000,000 per claim and in the aggregate, Contractor shall continuously maintain such coverage during the contact period and for three years thereafter. In the event of a change or cancellation of coverage, Contractor shall purchase an extended reporting period to meet the time periods required in this section.

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

- 1) Any deductible or self-insured retention amount or other similar obligation under the policies shall be the sole responsibility of the Contractor. The amount of any deductible or self-retention is subject to approval by the State.
- 2) This insurance may be in policy or policies of insurance, primary and excess, including the so-called umbrella or catastrophe form and must be placed with insurers rated "A-" or better by A.M. Best Company, Inc., provided any excess policy follows form for coverage. Less than an "A-" rating must be approved by the State. The policies shall be in form and terms approved by the State.
- 3) The duty to defend, indemnify, and hold harmless the State under this agreement shall not be limited by the insurance required in this agreement.
- 4) The state of North Dakota and its agencies, officers, and employees (State) shall be endorsed on the commercial general liability policy, including any excess policies (to the extent applicable), as additional insured. The State shall have all the benefits, rights and coverages of an additional insured under these policies that shall not be limited to the minimum limits of insurance required by this agreement or by the contractual indemnity obligations of the Contractor.
- 5) A "Waiver of Subrogation" waiving any right to recovery the insurance company may have against the State.
- 6) The Contractor shall furnish a certificate of insurance to the undersigned State representative prior to commencement of this agreement. All endorsements shall be provided as soon as practicable.
- 7) Failure to provide insurance as required in this agreement is a material



- breach of contract entitling the State to terminate this agreement immediately.
- 8) Contractor shall provide at least 30 day notice of any cancellation or material change to the policies or endorsements. Contractor shall provide on an ongoing basis, current certificates of insurance during the term of the contract. A renewal certificate will be provided 10 days prior to coverage expiration.
- 12) **SEVERABILITY:** If any term in this Agreement is declared by a court having jurisdiction to be illegal or unenforceable, the validity of the remaining terms must not be affected, and, if possible, the rights and obligations of the parties are to be construed and enforced as if the Agreement did not contain that term.
- 13) **INDEPENDENT ENTITY:** CONTRACTOR is an independent entity under this Agreement and is not a State employee for any purpose, including the application of the Social Security Act, the Fair Labor Standards Act, the Federal Insurance Contribution Act, the North Dakota Unemployment Compensation Law and the North Dakota Workforce Safety and Insurance Act. CONTRACTOR retains sole and absolute discretion in the manner and means of carrying out CONTRACTOR'S activities and responsibilities under this Agreement, except to the extent specified in this Agreement.
- 14) **NDPERS RESPONSIBILITIES:** NDPERS shall cooperate with the CONTRACTOR hereunder, including, without limitation, providing the CONTRACTOR with reasonable and timely access to data, information and personnel of NDPERS. NDPERS shall be responsible for the performance of its personnel and agents and for the accuracy and completeness of data and information provided to the CONTRACTOR for purposes of the performance of the Services.
- 15) **FORCE MAJEURE:** Neither party shall be held responsible for delay or default caused by fire, riot, terrorism, acts of God or war if the event is beyond the party's reasonable control and the affected party gives notice to the other party immediately upon occurrence of the event causing the delay or default or that is reasonably expected to cause a delay or default.
- 16) **ALTERNATIVE DISPUTE RESOLUTION – JURY TRIAL:** By entering into this Contract, NDPERS does not agree to binding arbitration, mediation, or any other form of mandatory Alternative Dispute Resolution. The parties may enforce the rights and remedies in judicial proceedings. STATE does not waive any right to a jury trial.

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

**NDPERS:**

Scott Miller, Executive Director  
ND Public Employees Retirement System  
1600 East Century Avenue, Suite 2  
PO Box 1657  
Bismarck, ND 58502-1657

CONTRACTOR:

VENDOR

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

- 18) **NONDISCRIMINATION AND COMPLIANCE WITH LAWS:** CONTRACTOR agrees to comply with all applicable federal and state laws, rules, and policies, including those relating to nondiscrimination, accessibility and civil rights. (See N.D.C.C. Title 34 – Labor and Employment, specifically N.D.C.C. ch. 34-06.1 Equal Pay for Men and Women.)

CONTRACTOR agrees to timely file all required reports, make required payroll deductions, and timely pay all taxes and premiums owed, including sales and use taxes, unemployment compensation and workers' compensation premiums. CONTRACTOR shall have and keep current at all times during the Term of this Contract all licenses and permits required by law.

CONTRACTOR is prohibited from boycotting Israel for the duration of this Contract. (See N.D.C.C § 54-44.4-15.) CONTRACTOR represents that it does not and will not engage in a boycotting Israel during the term of this Contract. If STATE receives evidence that CONTRACTOR boycotts Israel, STATE shall determine whether the company boycotts Israel. The foregoing does not apply to contracts with a total value of less than \$100,000 or if CONTRACTOR has fewer than ten full-time employees.

CONTRACTOR's failure to comply with this section may be deemed a material breach by CONTRACTOR entitling STATE to terminate in accordance with the Termination for Cause section of this Contract.

- 19) **STATE AUDIT:** All records, regardless of physical form, and the accounting practices and procedures of CONTRACTOR relevant to this Contract are subject to examination by the North Dakota State Auditor, the Auditor's designee, or Federal auditors, if required. CONTRACTOR shall maintain all of these records for at least three (3) years following completion of this Contract and be able to provide them upon reasonable notice. STATE, State Auditor, or Auditor's designee shall provide reasonable notice to CONTRACTOR prior to conducting examination.
- 20) **TAXPAYER ID:** CONTRACTOR'S federal employer ID number is:\_\_\_\_\_.
- 21) **PAYMENT OF TAXES BY STATE:** State is not responsible for and will not pay local, state, or federal taxes. State sales tax exemption number is E-2001, and certificates will be furnished upon request by the NDPERS.
- 22) **EFFECTIVENESS OF CONTRACT:** This Agreement is not effective until fully executed by both parties.

IN WITNESS WHEREOF, CONTRACTOR and NDPERS have executed this Agreement as of the date first written above.

**NORTH DAKOTA PUBLIC  
EMPLOYEES RETIREMENT SYSTEM**

**CONTRACTOR**

\_\_\_\_\_  
Executive Director  
ND Public Employees Retirement System

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date

<b>A. Fee for NDPERS 401(a) and 457(b) Plan assuming future lineup / open architecture pricing</b>	<b>Fixed Per Participant Fee (\$)</b>	<b>Fixed Per Participant Fee (\$)</b>	<b>Fixed Per Participant Fee (\$)</b>
	<b>Initial Term</b>	<b>Extension Period 1</b>	<b>Extension Period 2</b>
Total Applied Cost (\$ and %)			

**B. Please provide any start-up/conversion costs for the Plan. Please note if they are explicitly paid, or implicit as part of ongoing recordkeeping**

**C. Please provide the estimated annual communications budget for the Plan on a total dollar basis.**

**D. Please confirm that, per the terms of the RFP, no additional mailing, fulfillment, or printing costs will be passed through or added to the cost of your proposal.**

**E. Under a hard dollar fee model, is the fee pro-rated based on the amount of time the participant is in the Plan? For example, if a participant terminates in February, are they charged for the whole year, the first quarter, or for the months of January and February?**

<b>F. Transaction Fees:</b>	<b>Fee</b>	<b>Description</b>
Loan Origination		
Qualify a residential loan		
Loan Maintenance		
In-Service Withdrawals (excluding hardships)		
Hardship Qualification		
Hardship Withdrawal		
Term Lump Sum Distributions		
Term Partial Distributions		

Term Periodic/Installment Distributions		
Purchase of Service Credits		
Trust-to-Trust Transfers		
Required Age 72 Minimum Distributions		
QDRO Qualification		
QDRO Processing		
Return of Excess Contributions		
Negative Contribution Adjustments		
Overnight Mailing Fee		

<b>G. Compliance/Other Fees:</b>	<b>Fee</b>	<b>Description</b>
Benefits, Rights, and Features testing		
Audit fee		
Number of hours included in Audit Services		
Fees to locate missing persons/bad addresses		
Hourly project fee for one-off projects not included in the base fee		
Fee for SPD creation		
Estimated Annual Fee Increase (due to inflation, etc.)		

<b>H. Communication Fees</b>	<b>Fee</b>	<b>Description</b>
Number of Meeting Days included in scope		
Fee for Additional Meeting Days		

Travel expenses for meeting days		
Number of customized webinars included in scope		
Fee for additional webinars		
Customized communications, if any: design, printing and production		
Targeted communication campaigns (e.g., beneficiary solicitation, meet the match)		
Enrollment packages: design, printing and production		
Automatic enrollment notice: design, printing and production		
QDIA notice: design, printing and production		
404(a)(5) Participant Disclosure notice: design, printing and production		
Participant statements: design, printing and production		
SAR: design, printing and production		
Fees related to electronic distribution of any participant communications		
Other communication services		

<b>I. Out-of-Scope Fees</b>	<b>Fee</b>	<b>Description</b>
Number of plan provision changes included in scope		
Routine Plan Design Changes/Maintenance		
Plan Amendments		
Plan termination services		
Termination of vendor services		
Strategic Retirement Consulting		

Plan Sponsor Actions		
Plan to Plan (New)		
Plan to Plan (Existing)		
Asset Transfer In - Existing Clients		
Divisional Transfer In		
Direct Aggregate Rollover In		
Divisional Transfer Out (DTO)		
Asset Transfer Out		
Direct Aggregate Rollover Out		
Add/change Automatic Enrollment		
Add/change Roth 401(k)		
Source Additions		
Source Consolidations		
Add/change Self-Directed Brokerage		
Data Connection		
Data Exchange Format		
Payroll Services Enhancement or Maintenance		
Standard File Format Implementation		
Express Services		
Other		

**J. Brokerage Fees**

Fee

Description



Implementation Fee		
Annual Account Fee		
Please attach commission/trading fee schedule		
Stock/ETF trades: online		
Stock/ETF trades: IVR		
Stock/ETF trades: rep-assisted		
Options: online		
Options: IVR		
Options: rep-assisted		
Short-term fees on no transaction fee funds: online		
Short-term fees on no transaction fee funds: IVR		
Short-term fees on no transaction fee funds: rep-assisted		
US Treasury, including TIPS: online		
US Treasury, including TIPS: rep-assisted		
In-kind rollovers		
If a participant invests both Roth and Pre-tax amounts in the window, are they charged two annual account fees?		
If a participant trades both Roth and Pre-tax amounts in the window, are they charged two transaction fees?		
Other		

<b>K. Investment/Custody Related Fees</b>	<b>Fee</b>	<b>Description</b>
Annual trustee fees including reporting, all check processing fees, and preparation/filing of Forms 1099-R		

Number of fund changes included in scope		
Fund re-enrollment		
Investment Lineup Changes. Also, does a "fund change" mean a single fund change (addition/deletion), a change in share class, a non-client directed fund action, or a fund change event that may include multiple funds?		
Unitization Fees (i.e., multi-manager fund structure)		
Fund fact sheets		

<b>L. Performance Standards</b>	<b>Fee</b>	<b>Description</b>
Please fill in the table on the "Service Level Agreements"		

<b>M. Other Fees</b>	<b>Fee</b>	<b>Description</b>
Please list		

<b>N. Revenue From Other Sources</b>	<b>Fee</b>	<b>Description</b>
Clearly describe any revenue that may be provided from the managed accounts provider, both internal and external. Describe the revenue structure and how the quoted administration fees may vary should this service be declined/removed.		
Clearly describe any revenue that may be provided from the self-directed brokerage provider, both internal and external. Describe the revenue structure and how the quoted administration fees may vary should this service be declined/removed.		

Clearly describe any revenue that you may receive (or consider in pricing) from the small dollar cashout provider. Describe the revenue structure and how the quoted administration fees may vary should this service be declined/removed.		
Other		

**NDPERS**

**Minimum Performance Standards and Fees at Risk**

<i>Standard</i>	<i>Service Benchmark</i>	<i>Proposed Method of Measurement</i>	<i>Proposed Level of Fees at Risk</i>
Plan Sponsor satisfaction			
Participant satisfaction			
Notify NDPERS of changes in federal tax laws and regulations that impact the Plan			
Complete Investment Allocation changes			
Notification of any cyber-security breach, or significant unintentional disclosure of PII			
CSR hours of availability			
Call abandon rate			
Call answering speed			
Timeliness of callbacks to participants			
Percentage of first call resolution by customer service representatives			
Internet availability - # of times down			
IVR availability - # of times down			
Number and timeliness of one-on-one (individual) meetings; to be established during the annual planning session			
Number and timeliness of group meetings; to be established during the annual planning session			
Participant statement mailing			
Participant statement accuracy			
Participant confirmation statement mailing			
Loan, termination distribution, and in-service withdrawal check mailings to participants			
Distribution of lump sum payments for DC plans			
Distribution upon request of standard participant specific documents including administrative forms, participant statement copies, etc.			
Distribution of survivor benefit payments			
Timeliness for contribution and loan posting			
Accuracy of contribution and loan posting			
Submission of feedback files to the client's payroll			
Timeliness of callbacks to benefits staff			
QDRO processing			
Timely mailing of required notices (QDIA, SAR, Participant Fee Disclosure, etc.)			
Timeliness of monthly reporting to NDPERS staff			
Timeliness of quarterly reporting to NDPERS staff, including plan review			
Timeliness of processing trustee-to-trustee transfers inline with NDPERS requirements			

Timeliness of processing service credit purchases inline with NDPERS requirements			
Conversion meets the deadlines as established in the conversion timeline; <b><i>this should include making participants whole as well as renumeration to the plans</i></b>			

# TIAA - 457 Deferred Contribution (NDPERS Companion Plan)

Saturday, July 22, 2023 6:57 PM

## ACH File for Payment to Provider (Positive)

PERSLink -> Admin -> File Layout -> Deferred Compensation File for TIAA CREF

ID: 86

**Org Code:** 700008

**Provider Name:** NDPERS Companion Plan - TIAA

**Location:** S:\PERSLink\PROD\Files\VendorPayment\OutProcessed

**File Name:** 405546yyyymmdd\_Positive.txt

### Header

None

### Detail

Example: 405546 99999999933100820230722E00000005000RP1 00000000

Field	Length	Start Position	End Position	Default
Plan Number	6	0	6	405546
Reserved	2	6	8	" "
SSN	9	8	17	
Record Identifier	2	17	19	33
Mode	3	19	22	100
Payroll Frequency	1	22	23	8
Payroll Date	8	23	31	
Source	1	31	32	E
Amount	11	32	43	
Sub Plan	3	43	46	RP1
Auto Enrollment	1	46	47	" "
Filler	9	47	56	" "
Filler	9	56	65	"000000000"

### Footer

Example: 405546 000000000880000000420000000628376

Field	Length	Start Position	End Position	Default
Plan Number	6		6	405546
Reserved	2	6	8	" "
Header	9	8	17	"000000000"
Record Identifier	2	17	19	88
Total Contribution record count	9	19	28	
Total Contribution Amount	13	28	41	
Filler	100	41	141	100 spaces

## ACH File for Payment to Provider (Negative)

PERSLink -> Admin -> File Layout -> Deferred Compensation File for TIAA CREF

ID: 87

**Org Code:** 700008

**Provider Name:** NDPERS Companion Plan - TIAA

**Location:** S:\PERSLink\PROD\Files\VendorPayment\OutProcessed

**File Name:** 405546yyyyymmdd\_Negative.txt

### Header

None

### Detail

Example: 405546 99999999933100820230711E0000000250}RP1 00000000

Field	Length	Start Position	End Position	Default
Plan Number	6	0	6	405546
Reserved	2	6	8	" "
SSN	9	8	17	
Record Identifier	2	17	19	33
Mode	3	19	22	100
Payroll Frequency	1	22	23	8
Payroll Date	8	23	31	
Source	1	31	32	E
Amount	11	32	43	
Sub Plan	3	43	46	RP1
Auto Enrollment	1	46	47	" "
Filler	9	47	56	" "
Filler	9	56	65	"000000000"

### Footer

Example: 405546 00000000088000000001000000000250}

Field	Length	Start Position	End Position	Default
Plan Number	6		6	405546
Reserved	2	6	8	" "
Header	9	8	17	"000000000"
Record Identifier	2	17	19	88
Total Contribution record count	9	19	28	
Total Contribution Amount	13	28	41	
Filler	100	41	141	100 spaces

## Plan Enrollment

PERSLink -> Admin -> File Layout -> TIAA CREF 457 Enrollment

ID: 84





IstrNewLine	2	195	197	
Plan Number	6	197	203	405546
Reserved	2	203	205	" "
SSN	9	205	214	
Record Identifier	2	214	216	10
Country	28	216	244	
Reserved	2	244	246	" "
IstrNewLine	2	246	248	
Plan Number	6	248	254	405546
Reserved	2	254	256	" "
SSN	9	256	265	
Record Identifier	2	265	267	12
Status Code	2	267	269	
Reason Code	2	269	271	" "
Employee Type	1	271	272	" "
Reserved	1	272	273	" "
IstrNewLine	2	273	275	
Plan Number	6	275	281	405546
Reserved	2	281	283	" "
SSN	9	283	292	
Record Identifier	2	292	294	23
Date of Birth	8	294	302	
Employment Date	8	302	310	
Plan Entry Date	8	310	318	
Disability Date	8	318	326	"00000000"
Rehire Date	8	326	334	"00000000"
Termination Date	8	334	342	
Reserved	1	342	343	" "
Date Of Death	8	343	351	
Filler	40	351	391	
IstrNewLine	2	391	393	
Plan Number	6	393	399	405546
Reserved	2	399	401	" "
SSN	9	401	410	
Record Identifier	2	410	412	33
Mode	3	412	415	100
Payroll Frequency	1	415	416	8
Payroll Date	8	416	424	
Source	1	424	425	E
Amount	11	425	436	"00000000"
Sub Plan	3	436	439	RP1

Auto Enrollment	1	439	440	""
Filler	9	440	449	" "
Filler	9	449	458	"000000000"

Footer

None

# TIAA - Defined Contribution

Saturday, July 22, 2023 6:57 PM

## ACH File for Payment to Provider (Positive)

PERSLink -> Admin -> File Layout -> DC File for TIAA CREFF

ID: 86

**Org Code:** 700046

**Provider Name:** Defined Contribution - TIAA

**Location:** S:\PERSLink\PROD\Files\VendorPayment\OutProcessed

**File Name:** 405545yyyymmdd\_Positive.txt

### Header

None

### Detail

Example: 405545 99999999933100820230831F00000000991RS1 00000000

Field	Length	Start Position	End Position	Default
Plan Number	6	0	6	405545
Reserved	2	6	8	" "
SSN	9	8	17	
Record Identifier	2	17	19	33
Mode	3	19	22	100
Payroll Frequency	1	22	23	8
Payroll Date	8	23	31	
Source	1	31	32	I
Amount	11	32	43	
Sub Plan	3	43	46	RS1
Auto Enrollment	1	46	47	" "
Filler	9	47	56	" "
Filler	9	56	65	"000000000"

### Footer

Example: 405545 00000000088000000060000000086364

Field	Length	Start Position	End Position	Default
Plan Number	6		6	405545
Reserved	2	6	8	" "
Header	9	8	17	"000000000"
Record Identifier	2	17	19	88
Total Contribution record count	9	19	28	
Total Contribution Amount	13	28	41	
Filler	100	41	141	100 spaces

## ACH File for Payment to Provider (Negative)

PERSLink -> Admin -> File Layout -> DC File for TIAA CREFF

ID: 87

**Org Code:** 700046

**Provider Name:** Defined Contribution - TIAA

**Location:** S:\PERSLink\PROD\Files\VendorPayment\OutProcessed

**File Name:** 405545yyyymmdd\_Negative.txt

### Header

None

### Detail

Example: 405545 50272779433100820130830F0000012797LRS1 000000000

Field	Length	Start Position	End Position	Default
Plan Number	6	0	6	405545
Reserved	2	6	8	" "
SSN	9	8	17	
Record Identifier	2	17	19	33
Mode	3	19	22	100
Payroll Frequency	1	22	23	8
Payroll Date	8	23	31	
Source	1	31	32	I
Amount	11	32	43	"00000000"
Sub Plan	3	43	46	RS1
Auto Enrollment	1	46	47	" "
Filler	9	47	56	" "
Filler	9	56	65	"000000000"

### Footer

Example: 405545 00000000088000000008000000060908Q

Field	Length	Start Position	End Position	Default
Plan Number	6		6	405545
Reserved	2	6	8	" "
Header	9	8	17	"000000000"
Record Identifier	2	17	19	88
Total Contribution record count	9	19	28	
Total Contribution Amount	13	28	41	
Filler	100	41	141	100 spaces

## Plan Enrollment

PERSLink -> Admin -> File Layout -> TIAA CREF DC Enrollment

ID: 84



Zip	9	185	194	
Reserved	1	194	195	" "
IstrNewLine	2	195	197	
Plan Number	6	197	203	405545
Reserved	2	203	205	" "
SSN	9	205	214	
Record Identifier	2	214	216	10
Country	28	216	244	
Reserved	2	244	246	" "
IstrNewLine	2	246	248	
Plan Number	6	248	254	405545
Reserved	2	254	256	" "
SSN	9	256	265	
Record Identifier	2	265	267	12
Status Code	2	267	269	
Reason Code	2	269	271	" "
Employee Type	1	271	272	" "
Reserved	1	272	273	" "
IstrNewLine	2	273	275	
Plan Number	6	275	281	405545
Reserved	2	281	283	" "
SSN	9	283	292	
Record Identifier	2	292	294	23
Date of Birth	8	294	302	
Employment Date	8	302	310	
Plan Entry Date	8	310	318	
Disability Date	8	318	326	"00000000"
Rehire Date	8	326	334	"00000000"
Termination Date	8	334	342	
Reserved	1	342	343	" "
Date Of Death	8	343	351	
Filler	40	351	391	
IstrNewLine	2	391	393	
Plan Number	6	393	399	405545
Reserved	2	399	401	" "
SSN	9	401	410	
Record Identifier	2	410	412	33
Mode	3	412	415	100
Payroll Frequency	1	415	416	8
Payroll Date	8	416	424	
Source	1	424	425	E
Amount	11	425	436	"00000000"

Sub Plan	3	436	439	RP1
Auto Enrollment	1	439	440	" "
Filler	9	440	449	" "
Filler	9	449	458	"000000000"

**Footer**

None



## ROLLOVER/TRANSFER REQUEST FOR SERVICE CREDIT PURCHASES

NORTH DAKOTA PUBLIC EMPLOYEES RETIREMENT SYSTEM  
SFN 52059 (Rev. 07-2021)

NDPERS • PO Box 1657 • Bismarck • ND • 58502-1657

(701) 328-3900 • (800) 803-7377 • Fax (701) 328-3920 • ndpers-info@nd.gov

The North Dakota Public Employees Retirement System (NDPERS) is an eligible plan under Section 401(a) of the Internal Revenue Code. NDPERS may accept an eligible rollover distribution/transfer of **pre-tax dollars** from another eligible retirement plan for the purpose of purchasing service credit. An eligible retirement plan includes only a 401(a) plan, a 401(k) plan, a 403(b), a 457, a traditional IRA, the Federal Employees Retirement System (FERS) Thrift Savings Plan, or a 401(c) Keogh plan whose deposit came from a 401(a) or (k). In addition, NDPERS can accept a trustee-to-trustee transfer from a 403 (b) or a 457 Plan. The amount rolled over/transferred to NDPERS cannot exceed the retirement benefit portion of the purchase cost and must be made in a lump sum payment. This form must accompany the rollover/transfer to allow NDPERS to process it as an eligible rollover distribution/transfer.

### PLEASE READ IMPORTANT INFORMATION PRINTED ON THE BACK OF THIS FORM.

#### PART A TO BE COMPLETED BY NDPERS

Name (Last, First, Middle)		NDPERS Member ID
Last Four Digits of Social Security Number		Date of Birth (mm/dd/yyyy)
Type of Service Credit	Number of Months of Credit	Maximum Rollover/Transfer Amount \$

#### PART B TO BE COMPLETED BY MEMBER REQUESTING ROLLOVER/TRANSFER

I request that NDPERS accept my eligible rollover distribution/transfer, not to exceed the retirement benefit portion of the purchase cost. Furthermore, I agree to pay the associated Retiree Health Credit portion of the purchase cost within 30 days of NDPERS receipt of the rollover and prior to the purchase expiration date. I also certify that if this deposit to NDPERS is from a regular rollover distribution/transfer that all required withholding amounts have been withheld from such distribution.

Type of Account	<input type="checkbox"/> 401(a)	<input type="checkbox"/> 401(k)	<input type="checkbox"/> 401(c) Keogh	<input type="checkbox"/> 403(b)	<input type="checkbox"/> 457 State of ND
	<input type="checkbox"/> FERS Thrift Savings Plan		<input type="checkbox"/> Traditional IRA		<input type="checkbox"/> Other 457
Plan/Provider Company Name			Amount of Rollover/Transfer from Plan/Provider Company: \$		
Signature of Member (Required) *			Date of Signature	Telephone Number	

#### PART C TO BE COMPLETED BY ADMINISTRATOR OF ELIGIBLE RETIREMENT PLAN OR IRA CUSTODIAN

Name of Qualified Plan or Custodian of Eligible IRA	Total Rollover/Transfer Amount \$	Telephone Number	
Mailing Address	City	State	ZIP Code
Verify Account Type	<input type="checkbox"/> 401(a)	<input type="checkbox"/> 401(k)	<input type="checkbox"/> 401(c) Keogh
	<input type="checkbox"/> FERS Thrift Savings Plan		<input type="checkbox"/> Traditional IRA
		<input type="checkbox"/> 403(b)	<input type="checkbox"/> 457 State of ND
			<input type="checkbox"/> Other 457
Date of Rollover/Transfer (Required)			

As administrator of the above-named eligible plan or custodian/trustee of a traditional IRA, I certify that this distribution includes **only pre-tax dollars** and is an eligible retirement plan that meets the requirements of the IRC.

Signature of Provider Representative (Required for State of ND 457 Plan only) *		Date of Signature
Signature of Plan Administrator or IRA Custodian (Required) *	Title	Date of Signature

\* Electronic Signature will not be accepted

TA TD / OCTPAYXFR



**INFORMATION ON REQUESTING A ROLLOVER/TRANSFER  
FROM OTHER ELIGIBLE PLANS OR CONDUIT IRA'S  
FOR SERVICE CREDIT PURCHASES**

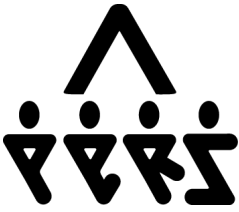
NDPERS service credit may be purchased through a rollover/transfer of pre-tax dollars from another retirement plan eligible under Section 401(a) of the Internal Revenue Code (including 401(k) and 401(c) Keogh plans), as well as 403(b) and 457 plans. This also includes traditional IRA's. In addition, NDPERS can accept a trustee-to-trustee transfer from a 403 (b) or a 457 Plan. For a rollover/transfer payment to be accepted by NDPERS, the following conditions must be met:

- Rollovers/Transfers must comply fully with the Internal Revenue Code and applicable Internal Revenue Service regulations. Rollovers/Transfers from other non-401(a) eligible retirement plans, except 457 or 403(b) plans, will not be accepted since federal regulations currently do not allow such transfers.
- SFN 52059 must be completed and accompany the rollover/transfer check to allow NDPERS to process it as an eligible rollover distribution/transfer. If your funds are coming from more than one provider company/plan, then a photocopy of this form should be made for each financial institution. The member will indicate in Part B the amount they are requesting each specific institution to rollover/transfer.
- The member must contact NDPERS to obtain the cost of the service credit to be purchased. The member must make payment of retiree health insurance credit portion prior to the rollover/transfer being posted to member's account.
- The member must forward this form to the plan administrator currently holding the funds to verify the distribution and that the monies are pre-tax dollars only and are from an eligible plan under the IRC. If the funds are from the State of ND 457 plan, the form must be completed and signed by the 457 Provider Representative in Part C prior to it being sent to NDPERS.
- The rollover/transfer check from the eligible plan or IRA must be made payable to the North Dakota Public Employees Retirement System, For Benefit of (Member's Name).
- NDPERS will only accept rollover/transfer payments that total the amount listed in Part A of this form. Total payment can not exceed this amount. If the payment to NDPERS is in excess of the cost, the rollover/transfer will be rejected in total. If the distribution from the originating institution is less than the total due for the service credit, only a prorated portion (as determined by NDPERS) will be credited. For full credit, a personal check, cashier's check, or installment purchase agreement for the remainder will be required.
- Rollover distributions/transfers used to purchase service credit cannot be withdrawn unless you terminate employment and are off the payroll of all NDPERS covered employers for one month.

**MEMBERS MAY WISH TO CONTACT A TAX ADVISOR FOR  
DETAILED INFORMATION ABOUT ELIGIBLE ROLLOVER DISTRIBUTIONS/TRANSFERS.**

**RETURN THIS FORM WITH ROLLOVER/TRANSFER FUNDS TO NDPERS AT THE ADDRESS LISTED ON FRONT PAGE.**

**RETAIN A COPY FOR YOUR RECORDS IF NEEDED.**



## ROLLOVER/TRANSFER TO 457 DEFERRED COMPENSATION PLAN

NORTH DAKOTA PUBLIC EMPLOYEES RETIREMENT SYSTEM  
SFN 50177 (Rev. 09-2021)

NDPERS • PO Box 1657 • Bismarck • ND • 58502-1657  
(701) 328-3900 • (800) 803-7377 • Fax (701) 328-3920 • [ndpers-info@nd.gov](mailto:ndpers-info@nd.gov)

The North Dakota Public Employees Deferred Compensation Plan is an eligible plan under Section 457(b) of the Internal Revenue Code. NDPERS may accept an eligible rollover transfer of **pre-tax dollars** from another qualified retirement plan. An eligible retirement plan includes a 401(a) plan, a 401(k) plan, a 403(b) plan, a 457(b) plan, a traditional IRA, or the Federal Employees Retirement System (FERS) Thrift Savings Plan.

**PLEASE READ IMPORTANT INFORMATION PRINTED ON THE BACK OF THIS FORM.**

### PART A MEMBER INFORMATION

Name (Last, First, Middle)	NDPERS Member ID
Last Four Digits of Social Security Number	Date of Birth (mm/dd/yyyy)
Organization Name	NDPERS Organization ID

### PART B ROLLOVER/TRANSFER INSTRUCTIONS

Name and Address of Qualified Plan or Custodian of the qualified retirement plan. (Contact your current agent for any forms they may require for this request).		Verify Account Type					
<table border="1"> <tr> <td>Name</td> <td>Address</td> </tr> <tr> <td> </td> <td> </td> </tr> </table>		Name	Address			<input type="checkbox"/> 401(a) <input type="checkbox"/> 401(k) <input type="checkbox"/> 401(c) Keogh <input type="checkbox"/> 403(b) <input type="checkbox"/> FERS <input type="checkbox"/> Traditional IRA <input type="checkbox"/> NDPERS 457 <input type="checkbox"/> Other 457	
Name	Address						
Please transfer my account as indicated below <input type="checkbox"/> Full Value <input type="checkbox"/> _____% <input type="checkbox"/> \$_____		Account Number					
Make Check Payable To (Company Name)		Agent's Name (New Agent)					
Home Office Address		Telephone Number					

### PART C PARTICIPANT'S AUTHORIZATION

Signature of Member (Required) (Electronic Signature will <u>not</u> be accepted)	Date
---	------

### PART D TO BE COMPLETED BY NDPERS

**In compliance with Section II – I. of the Provider Administrative Agreement, and federal Internal Revenue Code Section 457(e)(16), the NDPERS Retirement Board requests a direct transfer of funds to the company indicated in Part B. This company is an eligible provider under the State of North Dakota Deferred Compensation Plan and agrees to accept the funds being transferred and to serve as the new custodian for this account. The North Dakota Administrative Code stipulates that a request for transfer must be made within 30 days of the receipt of the request for rollover transfer.**

Authorized Agent, North Dakota Deferred Compensation Plan (Required) (Electronic Signature will <u>not</u> be accepted)	Date
---	------

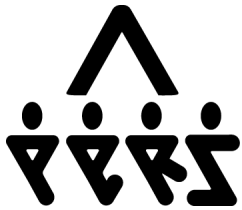
TA TD / OCTPAYXFR

## INFORMATION ON REQUESTING A ROLLOVER/TRANSFER FROM OTHER ELIGIBLE PLANS OR IRA'S

NDPERS can accept a trustee-to-trustee rollover/transfer to the NDPERS 457 Deferred Compensation Plan of pre-tax dollars from another retirement plan eligible under Section 401(a) of the Internal Revenue Code including 401(a), 401(k), 403(b), 457(b), and FERS plans. This also includes traditional IRA's. For a rollover/transfer payment to be accepted by NDPERS, the following conditions must be met:

- Rollovers/Transfers must comply fully with the Internal Revenue Code and applicable Internal Revenue Service regulations.
- SFN 50177 must be completed and returned to NDPERS to process it as an eligible rollover/transfer. If your funds are coming from more than one provider company/plan, then a photocopy of this form should be made for each financial institution. The member will indicate in Part B the amount they are requesting each specific institution to rollover/transfer.
- You must have an established account with a NDPERS 457 Deferred Compensation Plan Provider Company by completing an enrollment document with the Provider.
- NDPERS will forward this form to the plan administrator currently holding the funds. The rollover/transfer check from the eligible plan or IRA must be sent to the Company specified in Part B.
- **If you wish to suspend or change the amount of your contribution to current Provider company, YOU MUST also complete a "457 DEFERRED COMPENSATION PLAN ENROLLMENT/CHANGE FORM SFN 3803".**
- Rollover/transfers cannot be withdrawn unless you terminate employment and are off the payroll of all NDPERS covered employers for a period of one month.

**MEMBERS MAY WISH TO CONTACT A TAX ADVISOR FOR  
DETAILED INFORMATION ABOUT ELIGIBLE ROLLOVER DISTRIBUTIONS/TRANSFERS.**



**REQUEST FOR DE MINIMIS DISTRIBUTION**  
NORTH DAKOTA PUBLIC EMPLOYEES RETIREMENT SYSTEM  
SFN 52051 (Rev. 09-2021)

**NDPERS • PO Box 1657 • Bismarck • ND • 58502-1657**  
**(701) 328-3900 • (800) 803-7377 • Fax (701) 328-3920 • ndpers-info@nd.gov**

**PART A MEMBER INFORMATION**

Name (Last, First, Middle)	NDPERS Member ID
Last Four Digits of Social Security Number	Date of Birth (mm/dd/yyyy)
My provider company is	

**I hereby request a lump sum distribution of my deferred compensation account without separating from service and acknowledge that I meet the following criteria:**

- a) The total value of deferred assets in the program is less than \$5,000;**
- b) I have not contributed to the plan in the preceding two years; and**
- c) I have not previously received a distribution from the plan.**

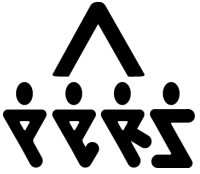
Participant's Signature (Electronic Signature will <u>not</u> be accepted)	Date
--	------

**PART B PROVIDER COMPANY AGENT (THIS SECTION TO BE COMPLETED BY YOUR PROVIDER COMPANY AGENT)**

This certifies the above participant's deferred compensation aggregate account balance is \$	Date
Provider Company	Agent Signature (Electronic Signature will <u>not</u> be accepted)

**PART C NDPERS AUTHORIZATION**

Approved for the Retirement Board by	
Authorized Agent, North Dakota Deferred Compensation Plan	Date



**North Dakota  
Public Employees Retirement System**  
1600 East Century Avenue, Suite 2 • PO Box 1657  
Bismarck, North Dakota 58502-1657

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

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Fax (701) 328-3920    Email [ndpers-info@nd.gov](mailto:ndpers-info@nd.gov)    Website [www.ndpers.nd.gov](http://www.ndpers.nd.gov)

# Memorandum

**TO:** NDPERS Board

**FROM:** Rebecca

**DATE:** August 15, 2023

**SUBJECT:** Retiree Health Insurance Credit (RHIC) Program Contract Amendment

At the July meeting, the Board approved the contract renewal for the Retiree Health Insurance Credit (RHIC) Program with ASIFlex. The renewal was approved for the January 1, 2024 through December 31, 2025 contract period. Attachment 1 is the contract amendment prepared by NDPERS legal staff and approved by ASIFlex.

## **Board Action Requested**

Approve the contract amendment for the Retiree Health Insurance Credit (RHIC) Program for the January 1, 2024 through December 31, 2025 contract period.

First Amendment to Agreement for RHIC Program Services

This First Amendment to Agreement for Services is between the State of North Dakota, acting through its North Dakota Public Employees Retirement System (NDPERS), and Application Software, Inc., dba ASIFlex (CONTRACTOR).

NDPERS and CONTRACTOR entered into an Agreement for Services (Agreement), effective from January 1, 2022, until December 31, 2023. In its letter to NDPERS dated June 28, 2023, incorporated into this Amendment as Attachment 1, CONTRACTOR offered to renew the current RHIC program services and fee structure with no changes for the two-year period of January 1, 2024, through December 31, 2025. The NDPERS Board reviewed the renewal offer, considered the matter, and passed a motion to renew the Agreement.

NDPERS and CONTRACTOR therefore agree as follows:

- 1) Term. The parties renew the Agreement for two years. The amended termination date is December 31, 2025.
- 2) Fees. CONTRACTOR will provide ongoing RHIC program services and fee structure, in accordance with ASIFLEX Cost proposal, January 1, 2024, through December 31, 2025, Exhibit A, with no changes.
- 3) All other terms of the Agreement remain in effect.

This First Amendment to Agreement for Services is effective, on the date of the most recent signature, when executed by both Parties.

ASIFlex

State of North Dakota through its  
Public Employee Retirement System

Signature:  \_\_\_\_\_

Signature: \_\_\_\_\_

Printed: Ashlee Sorber \_\_\_\_\_

Printed: \_\_\_\_\_

Title: Vice President & General Counsel \_\_\_\_\_

Title: \_\_\_\_\_

Date: 8/1/2023 \_\_\_\_\_

Date: \_\_\_\_\_



June 28, 2023

Ms. Rebecca Fricke  
North Dakota Public Employees Retirement System  
1600 East Century Avenue, Suite 2  
Bismarck, ND 58502-1657

Dear Rebecca:

On behalf of ASIFlex team, we are pleased to provide you with our cost proposal for the continued administration and recordkeeping services for the NDPERS RHIC program. As the incumbent provider of services, we have enjoyed and appreciated the opportunity to work with NDPERS since 2015.

ASIFlex believes we have demonstrated a record of delivering high quality, reliable services to NDPERS and to the RHIC participants. Although operating costs such as postage and mailing, as well as staffing, have continued to increase, we are pleased to continue our current pricing and servicing model with no changes for the 2024-2025 plan years.

If you have any questions or require any additional information, please don't hesitate to contact me (573-777-5601; jriddick@asiflex.com).

Thank you for your time and consideration.

Kind regards,

Sincerely,

A handwritten signature in blue ink, appearing to read 'John M. Riddick', written in a cursive style.

John M. Riddick  
ASIFlex President/CEO



NDPERS RHIC Program  
ASIFlex Cost Proposal  
January 1, 2024 through December 31, 2025

## Exhibit A

### North Dakota Public Employees Retirement System Administrative and Recordkeeping Services for the Retiree Health Insurance Credit Program

#### ACCOUNT FEES

Per participant per month	\$1.25
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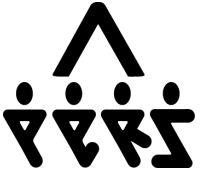
#### DE MINIMIS ACCOUNT FEES

ASIFlex will offer a year-end credit for accounts that have had no reimbursement activity. Accounts with contributions of less than \$20 per month with no reimbursement activity would be eligible for a fee credit at year-end. The fee credit provided to NDPERS would be one-half of the year-to-date fees paid to ASIFlex. This arrangement would reduce the costs to NDPERS while also providing reasonable compensation to ASIFlex for the welcome letter and on-going account maintenance.

#### SERVICES OUTSIDE SCOPE

\$100 per hour. We anticipate no additional costs to NDPERS as ASIFlex can provide ad hoc or custom reporting at no additional cost.





# Memorandum

**TO:** NDPER Board

**FROM:** Rebecca

**DATE:** August 15, 2023

**SUBJECT:** Administrative Services Agreement Exhibit B – Performance Guarantees

Since the June Board meeting, staff has been working with Sanford Health Plan (SHP) to finalize Exhibit B – Performance Guarantees (Attachment) of the Administrative Services Agreement (ASA) for the 2023-2025 biennium. This is the remaining exhibit that needs Board approval.

At this time, staff and SHP are seeking approval of Exhibit B. An overview of the significant changes to the Performance Guarantees from the previous biennium are:

Performance Guarantee		Modification
2	Customer Satisfaction	Established corridors whereby forfeiture amounts increase if performance decreases.
9	Health Risk Assessment	Increased the completion rate percentage.
11	Diabetes Management	Included additional SHP programs available for Level I, II and prediabetics.
12	Fitness Center Reimbursement	Expanded definition of participants to include members utilizing home fitness equipment equivalent to fitness center membership
13	Wellness Redemption Center Payments	Increased the financial requirement levels to be met

14	Health Pregnancy	Increased member participation levels to be met
35	Prescription drug home delivery	Established percentage to be shipped within a specified timeframe

The remaining changes were made to provide more clarity on the requirements and timelines for measurement.

**Board Action Requested:**

Approve Exhibit B – Performance Guarantees for inclusion with the Administrative Services Agreement for the 2023-2025 biennium.

# EXHIBIT B

## Health Plan Performance Guarantees 2023-2025

	Performance Guarantee	Requirement	Measurement	Value of Forfeiture
1	<b>Plan Performance Review</b>	Within ten (10) calendar days following delivery of performance reviews to NDPERS, vendor shall develop and submit a corrective action plan (CAP) of issues identified for approval by NDPERS, and implement such plan within the time prescribed in the approved CAP.	Measurement methodology shall be measured from date of delivery of the plan performance review in calendar days	\$1,000 per calendar day beyond the due date
2	<b>Customer Satisfaction Surveys</b>	Member satisfaction surveys will be designed by the vendor and approved by NDPERS. Vendor will invite a random sample of members to participate in the survey to collect a statistically significant number of completed surveys.  Using a 1-5 scale of Completely Satisfied, Very Satisfied, Satisfied, Dissatisfied, Very Dissatisfied. SHP will meet or exceed a 90% satisfaction rate across all survey questions.	Vendor will provide annual survey results to confirm compliance with performance standard	<b><i>Biannually (every 2 years)</i></b>  8 of 10 @ 90% = 5,000 7 of 10 @ 90% = 10,000 >6 of 10@ 90% = 25,000
3	<b>Team Meetings</b>	NDPERS requires monthly team meetings to address all planning / implementation, business, financial, clinical / formulary (including new drug review) and operational needs.	Compliance to be monitored and assessed by NDPERS	\$5,000 for each meeting missed
4	<b>NDPERS board meetings</b>	Vendor will participate in quarterly performance reviews to examine operational and financial performance.	Compliance to be monitored and assessed by NDPERS	\$5,000 for each quarter missed
5	<b>Electronic Eligibility</b>	Eligibility files will be uploaded within eight (8) hours when received before 1:00 PM CST. All transactions within the file will be completed by SHP within eighteen (18) business hours from the time the NDPERS file has been received, excluding errors requiring corrective action taken by NDPERS before the data can be uploaded and completed. Files received after 1:00 PM CST will be considered off-schedule and completed within 24 hours of receipt.	Vendor will provide annual reports to confirm compliance with performance standard	\$500 for each missed file deadline

	Performance Guarantee	Requirement	Measurement	Value of Forfeiture
6	<b>Manual Eligibility</b>	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, excluding transactions requiring information or corrective action to be taken by NDPERS to complete eligibility.	Vendor will provide quarterly reports to confirm compliance with performance standard	\$500 for each missed file deadline
7	<b>Error Reports</b>	The error report identifying critical errors will be completed by SHP within eighteen (18) business hours from the time the NDPERS file received between before 1:00 PM CST. Files received after 1:00 PM CST will be considered off-schedule and completed within 24 hours of receipt.	Vendor will provide quarterly reports to confirm compliance with performance standard	\$500 for each missed file deadline
8	<b>Data Files</b>	Monthly data files (membership, medical, pharmacy) will be available by the 15 <sup>th</sup> of the following month.	Will be available to NDPERS upon request	\$1,000 for each month not met
9	<b>Health Risk Assessment</b>	By June 30, 2025, at least 18% of eligible NDPERS members will have completed a Health Risk Assessment.	Vendor will provide a quarterly Executive Summary report to confirm compliance with performance standard	17.99%-15% = \$2,500 14.99%-12.01% = \$5,000 12% or less = \$10,000
10	<b>Worksite Interventions</b>	By June 30, 2025, at least 75% 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.).	Compliance to be monitored and assessed by NDPERS	\$5,000 if not achieved
11	<b>Diabetes Management</b>	By December 31 of each year, SHP will have engaged at least 5% of diagnosed pre-diabetic and/or diabetic population of members in an intervention program that may include, but is not limited to: DPP, Livongo, Exercise is Medicine, Positively Me, Daily Habits, or Better Choices Better Health.	Vendor will provide a quarterly Executive Summary report to confirm compliance with performance standard	\$5,000 for each year of the biennium
12	<b>Fitness Center Reimbursement</b>	By Dec. 31, 2023, at least 5% of eligible members will receive the fitness center reimbursement in at least one month during the 2023 calendar year or will have tracked at least 150 minutes of exercise per week for three weeks in the wellness portal.  By Dec. 31, 2024, at least 5% of eligible members will receive the fitness center reimbursement in at least one month during the 2024 calendar year or will have tracked at least 150 minutes of exercise per week for three weeks in the wellness portal.	Vendor will provide a quarterly Executive Summary report to confirm compliance with performance standard	4.9-4% = \$2,500 3.9-3% = \$5,000 2.9 or less = \$10,000  For each year of the biennium

	Performance Guarantee	Requirement	Measurement	Value of Forfeiture
13	<b>Wellness Redemption Center (online and worksite activity only)</b>	<p>By Dec. 31, 2023, \$850,000 will be paid out in the wellness redemption center for the 2023 calendar year.</p> <p>By Dec. 31, 2023, 9% of eligible members will have processed a redemption for wellness activity during the 2023 calendar year.</p> <p>By Dec. 31, 2024, \$850,000 will be paid out in the wellness redemption center for the 2024 calendar year.</p> <p>By Dec. 31, 2024, 9% of eligible members will have processed a redemption for wellness activity during the 2024 calendar year.</p>	Vendor will provide a quarterly Executive Summary report to confirm compliance with performance standard	<p>\$849,999-700,000 = \$2,500  \$699,999-600,000 = \$5,000  \$599,000 or less= \$7,500</p> <p>For each year of the biennium</p>
14	<b>Healthy Pregnancy Program</b>	<p>By June 30th, 2024, the percentage of eligible NDPERS members enrolled will increase by a growth rate of 3% over the percentage of eligible NDPERS members enrolled from July 1, 2022 – June 30, 2023.</p> <p>By June 30th, 2025, the percentage of eligible NDPERS members enrolled will increase by a growth rate of 3% over the percentage of eligible NDPERS members enrolled from July 1, 2023 – June 30, 2024.</p>	Vendor will provide a quarterly Executive Summary report to confirm compliance with performance standard	\$15,000 for each year of the biennium.
15	<b>HEDIS-like measures</b>	Breast cancer screening rates will be at least 80%	Vendor will provide a quarterly Executive Summary report to confirm compliance with performance standard	\$15,000 for the 2-year biennium
16	<b>HEDIS-like measures</b>	Cervical cancer screening rates will be at least 85%	Vendor will provide a quarterly Executive Summary report to confirm compliance with performance standard	\$15,000 for the 2-year biennium
17	<b>HEDIS-like measures</b>	Colorectal cancer screening rates will be at least 60%	Vendor will provide a quarterly Executive Summary report to confirm compliance with performance standard	\$15,000 for the 2-year biennium
18	<b>NDPERS PPO network</b>	Vendor shall maintain ninety-two (92%) percent or more of hospitals, practicing MD's and DOs of the proposed network.	Vendor will provide a quarterly Executive Summary report to confirm compliance with performance standard	\$75,000 for the 2-year biennium
19	<b>Claims Financial Accuracy</b>	Claims Financial Accuracy will be 99% or greater, each year of the biennium. Measured as the absolute value of financial errors divided by the total paid value of audited dollars paid based on quarterly internal audit of statistically valid sample.	Vendor will provide a quarterly Executive Summary report to confirm compliance with performance standard	\$12,500 for each year of the biennium

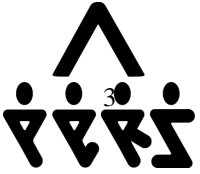
	Performance Guarantee	Requirement	Measurement	Value of Forfeiture
20	<b>Claims Payment Accuracy</b>	Claims Payment incidence Accuracy will be 98% or greater, each year of the biennium. Measured as the percent of Claims processed without financial payment error.	Vendor will provide a quarterly Executive Summary report to confirm compliance with performance standard	\$12,500 for each year of the biennium
21	<b>Claims Processing Accuracy</b>	Claims Procedural Accuracy will be 95% or greater, each year of the biennium. Measured as the percent of Claims processed without non-financial error.	Vendor will provide a quarterly Executive Summary report to confirm compliance with performance standard	\$12,500 for each year of the biennium
22	<b>Claim Timeliness</b>	Clean claims processing within 14 calendar days will be 95% or greater, each year of the biennium. Measured from the date the claim is received to the date the claim is processed.	Vendor will provide a quarterly Executive Summary report to confirm compliance with performance standard	\$12,500 for each year of the biennium
23	<b>Average Speed of Answer</b>	Average Speed of Answer will be 30 seconds or less, each year of the biennium. Vendor will have an established measurement process that shall be reviewed with NDPERS. SHP shall be at risk of \$1,000 per month for not meeting the 30 second average speed of answer guarantee.	Vendor will provide a quarterly Executive Summary report to confirm compliance with the performance standard.	\$12,000 maximum for each year of the biennium  \$1,000 per month if the average speed of answer is greater than 30 seconds.
24	<b>Call Abandonment</b>	Call Abandonment rate will be 5% or less, each year of the biennium.	Vendor will provide a quarterly Executive Summary report to confirm compliance with performance standard	\$10,000 for each year of the biennium
25	<b>Accuracy and Timelines/ First Call Resolution Written Inquiry Response Time</b>	a.) 95% of inquiries must be resolved during the initial call, excluding appeals, billing errors, and escalations.  b.) 95% of written inquiries must be responded to within 24 business hours of date stamp of receipt, excluding appeals, billing errors and escalations.	Vendor must evaluate a statistically valid sample of inquiries with reports provided.	\$12,500 maximum for each year of the biennium.
26	<b>Over payment Recovery</b>	One hundred percent (100%) of all confirmed overpayments identified from participating Sanford HealthPlan participating providers shall be recovered within 90 days when the overpayment can be deducted from the payment cycle. Refunds from nonparticipating providers will be deducted from future payments. A refund request will be submitted for nonpayment after 90 days.	Vendor will provide annual reports to confirm compliance with performance standard	\$12,500 for each year of the biennium

	Performance Guarantee	Requirement	Measurement	Value of Forfeiture
27	<b>Access Rate to Primary Care Physicians</b>	Sanford Health Plan shall meet NDCC, 26.1-47-03 which defines appropriate access and availability for primary care providers as 50 miles for primary care physicians if eligible providers exist within 50 miles of the home ZIP Code.	Vendor will provide annual reports to confirm compliance with performance standard	\$5,000 for each full % below for each of the biennium.
28	<b>Access Rate to Pediatricians</b>	Sanford Health Plan shall meet NDCC, 26.1-47-03 which defines appropriate access and availability for primary care providers as 50 miles for Pediatricians if eligible providers exist within 50 miles of the home ZIP Code.	Vendor will provide annual reports to confirm compliance with performance standard	\$5,000 for each full % below for each of the biennium.
29	<b>Access Rate to Specialists and OB/GYNs</b>	Sanford Health Plan shall meet NDCC, 26.1-47-03 which defines appropriate access and availability for Specialists and OBGYNs if eligible providers exist within 50 miles of the home ZIP Code.	Vendor will provide annual reports to confirm compliance with performance standard	\$5,000 for each full % below for each of the biennium.
30	<b>Access Rate to Hospitals</b>	Sanford Health Plan shall meet NDCC, 26.1-47-03, which defines appropriate access and availability for hospital if eligible providers exist within 50 miles of the home ZIP Code.	Vendor will provide annual reports to confirm compliance with performance standard	\$5,000 for each full % below for each of the biennium.
31	<b>Payment to NDPSC for the About the Patient Program</b>	Payments will be made within 5 business days of approval to NDPSC for the About the Patient program.	Vendor will provide a quarterly Executive Summary report to confirm compliance with performance standard	\$10,000 per year
32	<b>Interest rate on funds held by vendor under the fully insured contract</b>	Rate as determined by NDPERS and vendor.	Vendor will provide a quarterly Executive Summary report to confirm compliance with performance standard	\$5,000 per occurrence
33	<b>Prescription drug turnaround time – clean prescriptions</b>	98% within two (2) business days if no intervention required.	Vendor will provide quarterly reports to confirm compliance with performance standard	\$1,000 for each point below standard

	Performance Guarantee	Requirement	Measurement	Value of Forfeiture
34	Prescription drug mail dispensing accuracy	99.9% Mail service dispensing accuracy rate. Fields measured include member name, drug strength, directions, quantity, and prescriber name.	Vendor will provide annual reports to confirm compliance with performance standard	\$12,500 for each year of the biennium
35	Prescription drug home delivery pharmacy intervention prescription turnaround.	At least 95 percent of non-routine prescription orders will be shipped within five business days. <ul style="list-style-type: none"> <li>Measured in whole business days from the date a prescription order is received by Administrator (either by mail, phone, fax, or Internet) to the date the prescription order is shipped.</li> <li>Calculated by taking the number of intervention prescription orders shipped within five business days divided by the total number of intervention prescription orders.</li> </ul>	Vendor will provide annual reports to confirm compliance with performance standard	\$12,500 for each year of the biennium
36	Prescription drug specialty pharmacy delivery	PBM Specialty Pharmacies guarantee on time delivery of Specialty Drugs by the Member "needs by" date at least ninety eight percent (98%) of the time.	Vendor will provide annual reports to confirm compliance with performance standard	\$12,500 for each year of the biennium
37	Network Pharmacy Access	Pharmacy network composition will not be reduced by more than 5% in North Dakota compared to the network submitted in the RFP.	Vendor will provide annual reports to confirm compliance with performance standard	\$12,500 for each year of the biennium
38	Medical Network Discount	Vendor will guarantee a minimum provider discount from in-network providers of at least 30% be calculated as (1- (Allowed/Billed Charge)).	Vendor will provide a quarterly Executive Summary report to confirm compliance with performance standard	\$500,000 for the 2-year biennium

Forfeiture values are calculated on a calendar year basis. Any forfeiture that occurs during or at the end of a calendar year will be paid within 30 days of the run-out period required to calculate the Performance Guarantee criteria.





# Memorandum

**TO:** NDPERS Board

**FROM:** Rebecca

**DATE:** August 15, 2023

**SUBJECT:** Medicare Part D Renewal and Request for Proposal (RFP)

At the May Board meeting, the Board was provided a preliminary renewal projection (Attachment 1) for the Medicare Part D Plan from Humana for the 2024 Plan Year. Based upon the premium projection supplied by Humana, which was a hold-even premium, staff recommended and the Board approved deferring a decision on whether to bid the Medicare Part D Plan in order to consider the final renewal premium offered by Humana in August.

Humana has submitted its final renewal premium which is included as Attachment 2. The current premium is \$69.72 per member per month (PMPM). The renewal premium for a similar plan design (Attachment 3), including the enhanced member benefit related to Catastrophic Stage coverage as required under the Inflation Reduction Act for 2024, is \$64.72 PMPM, which is a \$5.00 PMPM reduction. In addition, Humana has provided an updated list of Performance Guarantees (Attachment 4) for 2024.

Staff are satisfied with the services provided to our members by Humana, as well as, their responsiveness to staff when issues or questions arise. As reported at the April Board meeting, Humana met the Performance Guarantees requested of them by the Board for the 2022 Plan Year. Thus far for the 2023 Plan Year, Humana is on track to meet these guarantees.

A review of the renewal premium was requested of Deloitte Consulting. Deloitte Consulting has confirmed that the final renewal premium offered by Humana is reasonable based upon expected trends and the 2024 CMS direct subsidy amounts that were released at the end of July.

If the Board opts not to renew with Humana, staff will need to issue a Request for Proposal (RFP) for the Medicare Part D Plan following the meeting. Attachment 5 is the current RFP

that will be issued upon direction by the Board. The timeline for issuing this RFP is very tight as a vendor will need to be selected by October 1 in order for NDPERS to issue required notices and implement the possible vendor change.

As a reminder, the criteria that the Board needs to follow under NDCC 54-52.1-05 is:

**54-52.1-05. Provisions of contract - Term of contract.**

1. Each uniform group insurance contract entered by the board must be consistent with the provisions of this chapter, must be signed for the state of North Dakota by the chairman of the board, and must include the following:
  - a. As many optional coverages as deemed feasible and advantageous by the board.
  - b. A detailed statement of benefits offered, including maximum limitations and exclusions, and such other provisions as the board may deem necessary or desirable.
2. The initial term or the renewal term of a uniform group insurance contract through a contract for insurance, health maintenance organization, or self-insurance health plan for hospital benefits coverage, medical benefits coverage, or prescription drug benefits coverage may not exceed two years.
  - 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, the proposed premium renewal amount does not exceed the board's expectations, and renewal best serves the interests of the state and the state's eligible employees.
  - 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. The board may determine the carrier's performance under the existing contract does not meet the board's expectations, the proposed premium renewal amount exceeds the board's expectations, or renewal does not best serve the interests of the state or the state's eligible employees and the board therefore may decide to solicit a bid under section 54-52.1-04.

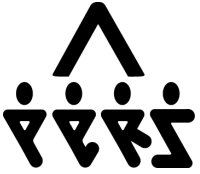
**Staff Recommendation**

Staff would recommend renewing with Humana for the Medicare Part D Plan for the 2024 plan year. If renewed, approve the updated Performance Guarantees as provided by Humana and verified by staff.

### **Board Action Requested**

Approve staff's recommendation to amend the current contract to continue with Humana as the Medicare Part D Plan vendor for the January 1, 2024 through December 31, 2024 contract period. If renewed, approve the updated Performance Guarantees provided by Humana for 2024.

If the Board does not wish to renew with Humana, staff request the Board's approval of the Medicare Part D Plan RFP so that we can seek another vendor.



**North Dakota  
Public Employees Retirement System**  
1600 East Century Avenue, Suite 2 • Box 1657  
Bismarck, North Dakota 58502-1657

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

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Fax: (701) 328-3920    Email [ndpers-info@nd.gov](mailto:ndpers-info@nd.gov)    Website <https://ndpers.nd.gov>

# Memorandum

**TO:** NDPERS Board

**FROM:** Rebecca

**DATE:** May 9, 2023

**SUBJECT:** Medicare Part D Plan 2024 Premium Projection

**Attachment 1**

Per the terms of the contract with Humana for the Employer Group Waiver Plan (EGWP), referred to as the Medicare Part D product, we have received a preliminary projection for the 2024 premium.

Humana's preliminary projection for the 2024 premium is a "hold-even" premium of \$69.72 per month, which is the current premium for 2023. The information provided by Humana as part of their preliminary projection is provided in the Attachment.

The normal process for renewal is that Humana will finalize the premium for the upcoming plan year after the Center for Medicaid and Medicare Services (CMS) releases the federal subsidy level for Part D plans. This occurs in late July each year. Humana then determines if they need to adjust premiums accordingly based on the subsidy amount and the experience of the plan. Per the terms of the contract, Humana must provide the final premium for the Board's consideration by August 15.

Based upon the premium projection supplied by Humana for the 2024 calendar year, the overall ease of administration of the product for NDPERS processes, the minimal disruption our members continue to experience with Humana, and the responsiveness of Humana when questions regarding NDPERS processes or members have been raised, staff recommend that the Board defer a decision on whether to bid the Medicare Part D Plan in order to consider the final renewal premium offered by Humana in August. Should the Board approve, staff will continue to review the information provided by Humana to confirm consistent plan design to the current plan year and will also work with Humana on 2024 Performance Guarantees. If staff have questions, we will work with Humana to have these resolved prior to the final decision by the Board in August.

If in August the final renewal premium exceeds the projected premium and is a rate that the Board does not wish to renew, then staff will have the final Medicare Part D RFP prepared for the August Board meeting so that it can be approved for immediate release.

If the Board does not agree to the staff recommendation, then staff will move forward with finalizing the draft RFP so that it can be approved by the Board at the June meeting and released shortly thereafter.

**Board Action Requested:**

Provide direction on whether to defer a bid for the Medicare Part D Plan until after Humana provides their final renewal premium in August 2023.

April 28, 2023

North Dakota Public Employees Retirement System  
Rebecca Fricke, Chief Benefits Officer  
Scott Miller, Executive Director  
1600 E Century Ave, Suite 2  
Bismarck, ND 58503

**RE: Humana 2024 Group Medicare Part D Prescription Drug Plan Renewal for North Dakota Public Employees Retirement System**

Dear Rebecca and Scott:

On behalf of Humana, I am pleased to submit the 2024 Group Medicare Part D Prescription Drug Plan (PDP) renewal for North Dakota Public Employees Retirement System (NDPERS). Humana has over 30 years of experience working with Medicare and nearly 2 years working with NDPERS. We are especially proud of our strong reputation for providing excellent customer service to our Group Medicare clients and helping them preserve benefits while containing costs. We are excited to continue our relationship with NDPERS and look forward to providing outstanding service and support to NDPERS and its retirees in 2024.

**A Trusted Partnership**

When organizations choose a Group Medicare plan partner for their retirees, we know they want a carrier with a strong team of people who are knowledgeable, innovative, easy to work with and highly responsive. That is the type of partnership Humana provides to our Group Medicare clients and will continue to provide to NDPERS and your retirees.

We believe the qualities below are the foundation for the trust and highly productive partnerships we have built with our Group Medicare clients and retirees and are some of the components that comprise the Humana difference:

- **Retiree and Employer Experience:** One of Humana's key enterprise initiatives continues to be providing a "Perfect Experience" for our members and clients. A critical factor for success is understanding the unique needs of the Medicare-eligible population and being equipped to provide the necessary support when administering their benefits. To ensure this, Humana has a dedicated Group Medicare Operations team that services only our Group Medicare clients and their retirees. This team, together with our account management team, provides support to the retirees and NDPERS. NDPERS will continue to have a designated account installation manager who oversees the operational aspects of the plan. Retirees have a toll-free number to ask questions and receive direct support from Humana. The Customer Care specialists for NDPERS are a team specialized in Group Medicare and are primarily located in Louisville, Kentucky. An additional layer of support we continue to provide a designated account concierge specialist (ACS) for NDPERS. The ACS is available

to address routine questions from NDPERS and retirees and gives us the ability to respond quickly and effectively to issues that require special attention or handling. Having these additional resources enables us to expedite answering any questions that may arise.

- **Long-term sustainability:** Humana uses several methods to appropriately mitigate the cost of care while improving the well-being of retirees. These include early identification tools (predictive modeling, health assessments), clinical integration and guidance (outreach to members, alerts to providers, clinical and disease management programs), health and wellness programs, preventive screening reminders, efficient hospital, provider and pharmacy contracting, as well as a number of claims cost management programs (audits, billing review software, fraud detection, etc.). While a number of these tools apply MA plan members, this provides an overview of what goes into these methods to provide NDPERS and your retirees with the stability to ensure long-term sustainability.
- **Expertise, Quality, and Choice:** As our track record proves, quality is inherent in Humana's Medicare plans. Humana is committed to helping our members achieve lifelong well-being, a goal achieved through a variety of resources. In addition, we are continually enhancing our standard care management programs, wellness tools and resources, and supplemental benefits to offer the best member experience. Humana is dedicated to supporting members, providing vital guidance and service to thousands of our sickest and most costly members, helping them with drug safety, effectiveness and cost savings through our Medication Therapy Management program. We remain committed to all the retirees we serve and we aim to ensure Humana remains a premium choice for high quality, value and efficient Medicare coverage.
- **Provider partnership:** Humana believes it is also important to engage and collaborate with pharmacies and providers across the communities we serve. In support of our goal of an integrated care delivery model, we continue to work with providers to move away from the more traditional fee-for-service (FFS) reimbursement methodology towards a deeper partnership rooted in value-based arrangements that reward better health outcomes.
- **Our Track Record:** We are proud to be among the oldest and largest companies continuously operating private Medicare plans. This experience provides Humana with a long and successful track record of being able to understand the nuances of retiree benefits, provide retirees with a positive experience, and simultaneously provide the necessary support for clients. Throughout the year, we aim to create meaningful and impactful connections with members, while also valuing the client's level of interaction they desire from Humana.

### **Medicare Part D Prescription Drug Plan Renewal**

The 2024 renewal includes the following information:

- Renewal Exhibit – with required rate development per the Contract, Section 4.2, Renewals
- 2024 Rate Sheet with plan highlights
- 2024 Product Design Exhibit with plan details
- 2024 Performance Guarantee Agreement

### **Rating Factors**

In developing the Medicare Part D Prescription Drug Plan 2024 renewal, several factors will be influencing the rate:

- Claims experience
- CMS reimbursements
- Pharmacy trends

- Plan change adjustments
  - o Plan changes under the Inflation Reduction Act
- Enrollment demographics

Taking into consideration all rating components provided in the 2024 PDP rate development (Renewal Exhibit), the premium projection results in an increase of \$70.15 PMPM, an increase of \$0.43 PMPM from the current 2023 rate of \$69.72 PMPM:

- Humana is applying a business decision and is not applying the premium impact. We are pleased to deliver a Rate Hold for 2024.

**Humana is delivering the 2024 PDP rate of \$69.72 PMPM, a Rate Hold of the current 2023 of \$69.72 PMPM.**

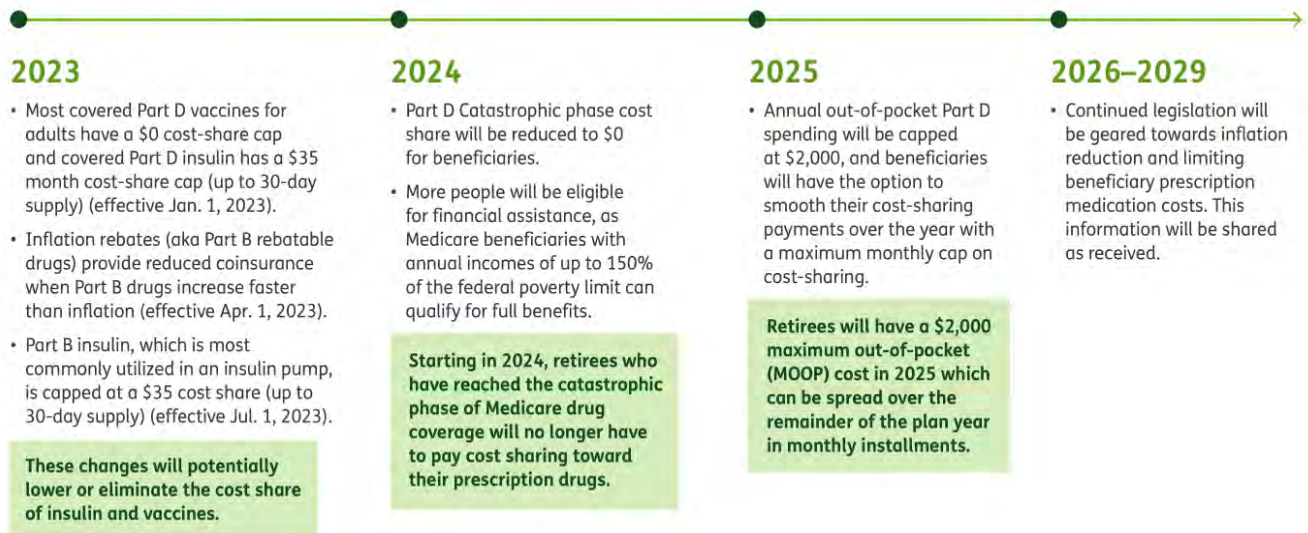
### Benefit and Plan Updates for 2024

With each year there are updates and changes that CMS directs carriers to follow.

For 2024, CMS has updated the Part D Standard cost share limits. Humana tracks the drug phases as a CMS requirement, which also affects reimbursement. The applicable limits are applied to the NDPERS Plan for 2024 and includes changes to the Part D Catastrophic phase applied under the Inflation Reduction Act (IRA). In 2024, members will have \$0 member cost share in the Catastrophic phase.

Stage	2023	2024
Deductible	\$505	\$545
Initial Coverage Limit (ICL)	\$4,660	\$5,030
TrOOP	\$7,400	\$8,000
Catastrophic	Greater of \$4.15 (Generics), \$10.35 (Brands), or 5%	\$0

The Inflation Reduction Act aims, in part, to reduce prescription medication costs for some popular drugs. Here are some of the notable changes:



Source:

1. Juliette Cubanski, Meredith Freed, and Tricia Neuman, "What Are the Prescription Drug Provisions in the Inflation Reduction Act?," Kaiser Family Foundation, last accessed Dec. 14, 2022, [www.kff.org/slideshow/what-are-the-prescription-drug-provisions-in-the-inflation-reduction-act/](http://www.kff.org/slideshow/what-are-the-prescription-drug-provisions-in-the-inflation-reduction-act/).



**Value Added Items and Services (VAIS):**

- The VAIS discount program is included with the Humana Part D Prescription Drug Plan. Members receive the VAIS discount information post-enrollment. Humana is adding two new programs for the 2024 coverage year:



**Truthbrush**

- Smart Teeth brushing trackers to improve oral healthcare
- 20% off devices
- Free App



**balanced**

- Online exercise portal geared towards seniors
- 55% off monthly subscription fee of \$20

- The full listing of VAIS discounts are noted on page 3 of the PDP Plan Design Exhibit enclosed.

Humana places tremendous value on our relationship with the NDPERS. We will continue to explore ways to stabilize costs while providing the value and service that NDPERS and its retirees expect and deserve. We appreciate the trust and confidence you have placed in Humana and look forward to our continued partnership.

Sincerely,

Julie Bodenski  
Account Executive  
Humana Group Medicare

CC: Stephanie Heller – Director, Account Management

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## Humana Medicare Group Plan – Premium Information

### NORTH DAKOTA PUBLIC EMPLOYEES RETIREMENT SYSTEM - PDP

**Date:** 5/1/2023  
Humana Medicare Group Plan  
**Plan Names:** Custom PDP  
**Rx Formulary:** Group Plus Formulary - TBD  
**Additional Medication Buy-Ups:** Coughs and Colds, EDs Enhanced

Plan Year	Final Billed Premium (Per Member Per Month)
1/1/2024 - 12/31/2024	\$69.72

#### PDP 037 161 Rx Benefit Overview

Prescription Drugs (Retail 30 day supply)

Custom Rx \$5 copay plus 15% coinsurance/\$15 copay plus 25% coinsurance/\$25 copay plus 50% coinsurance/\$25 copay plus 50% coinsurance from \$0 to ICL; \$5 copay plus 15% coinsurance/\$15 copay plus 25% coinsurance/\$25 copay plus 25% coinsurance/\$25 copay plus 25% coinsurance from ICL to Catastrophic

\*\*\*See attached sheet for rating assumptions and stipulations. The benefits presented above are a high-level summary. Please consult the Plan Design Exhibit for a more detailed list of covered services, member cost shares, services subject to deductibles and any plan limitations.\*\*\*

**HUMANA MEDICARE EMPLOYER PDP PLAN**

2024 PDP for North Dakota Public Employees Retirement System Plan 037 Option 161

Group Plus Formulary - PDG 49

With Package(s): 2 (Cough/Cold) & 7 (Erectile Dysfunction)

Effective Date: 01/01/2024 - 12/31/2024

**30 Day Supplies**

PDP Option Number	30 Day Standard Retail from \$0 to ICL (1)				30 Day Standard Retail from ICL to Catastrophic (2) "Coverage Gap"				30 Day Standard Retail Cost Sharing from Catastrophic to Unlimited	Out-of-Pocket that triggers Catastrophic	30 Day Standard Retail Home Infusion Drugs (3)			
	Tier 1*	Tier 2	Tier 3	Tier 4	Tier 1*	Tier 2	Tier 3	Tier 4			Tier 1*	Tier 2	Tier 3	Tier 4
PDP 157	\$5 copayment; 15% coinsurance of remaining cost share	\$15 copayment; 25% coinsurance of remaining cost share	\$25 copayment; 50% coinsurance of remaining cost share	\$25 copayment; 50% coinsurance of remaining cost share	\$5 copayment; 15% coinsurance of remaining cost share	\$15 copayment; 25% coinsurance of remaining cost share	\$25 copayment; 25% coinsurance of remaining cost share	\$25 copayment; 25% coinsurance of remaining cost share	\$0 copay	\$8,000	\$5 copayment; 15% coinsurance of remaining cost share	\$15 copayment; 25% coinsurance of remaining cost share	\$25 copayment; 25% coinsurance of remaining cost share	\$25 copayment; 25% coinsurance of remaining cost share

PDP Option Number	30 Day Standard Mail Order from \$0 to ICL (1)				30 Day Standard Mail Order from ICL to Catastrophic (2) "Coverage Gap"				30 Day Standard Mail Order Cost Sharing from Catastrophic to Unlimited	Out-of-Pocket that triggers Catastrophic	30 Day Standard Mail Order Home Infusion Drugs (3)			
	Tier 1*	Tier 2	Tier 3	Tier 4	Tier 1*	Tier 2	Tier 3	Tier 4			Tier 1*	Tier 2	Tier 3	Tier 4
PDP 157	\$5 copayment; 15% coinsurance of remaining cost share	\$15 copayment; 25% coinsurance of remaining cost share	\$25 copayment; 50% coinsurance of remaining cost share	\$25 copayment; 50% coinsurance of remaining cost share	\$5 copayment; 15% coinsurance of remaining cost share	\$15 copayment; 25% coinsurance of remaining cost share	\$25 copayment; 25% coinsurance of remaining cost share	\$25 copayment; 25% coinsurance of remaining cost share	\$0 copay	\$8,000	\$5 copayment; 15% coinsurance of remaining cost share	\$15 copayment; 25% coinsurance of remaining cost share	\$25 copayment; 25% coinsurance of remaining cost share	\$25 copayment; 25% coinsurance of remaining cost share

Note: Part D vaccines recommended by the Advisory Committee on Immunization Practices (ACIP) for adults may be available at no cost.

Plan covered insulin products will not exceed \$35 for a one-month supply no matter what cost-sharing tier it's on

- \*Tier 1: Generic or Preferred Generic - Generic or brand drugs that are available at the lowest cost share for this plan.
- Tier 2: Preferred Brand - Generic or brand drugs that Humana offers at a lower cost than Tier 3 Non-Preferred Drug.
- Tier 3: Non-Preferred Drug - Generic or brand drugs that Humana offered at a higher cost than Tier 2 Preferred Brand drugs.
- Tier 4: Specialty Tier - Some injectables and other higher-cost drugs.

90 Day Supplies

PDP Option Number	90 Day Standard Retail (4) from \$0 to ICL (1)				90 Day Standard Retail from ICL to Catastrophic (2) "Coverage Gap"				90 Day Standard Retail Cost Sharing from Catastrophic to Unlimited	Out-of-Pocket that triggers Catastrophic	90 Day Standard Retail Home Infusion Drugs (3)			
	Tier 1*	Tier 2	Tier 3	Tier 4	Tier 1*	Tier 2	Tier 3	Tier 4			Tier 1*	Tier 2	Tier 3	Tier 4
PDP 157	\$5 copayment; 15% coinsurance of remaining cost share	\$15 copayment; 25% coinsurance of remaining cost share	\$25 copayment; 50% coinsurance of remaining cost share	N/A	\$5 copayment; 15% coinsurance of remaining cost share	\$15 copayment; 25% coinsurance of remaining cost share	\$25 copayment; 25% coinsurance of remaining cost share	N/A	\$0 copay	\$8,000	\$5 copayment; 15% coinsurance of remaining cost share	\$15 copayment; 25% coinsurance of remaining cost share	\$25 copayment; 25% coinsurance of remaining cost share	N/A

PDP Option Number	90 Day Standard Mail Order (4) from \$0 to ICL (1)				90 Day Standard Mail Order from ICL to Catastrophic (2) "Coverage Gap"				90 Day Standard Mail Order Cost Sharing from Catastrophic to Unlimited	Out-of-Pocket that triggers Catastrophic	90 Day Standard Mail Order Home Infusion Drugs (3)			
	Tier 1*	Tier 2	Tier 3	Tier 4	Tier 1*	Tier 2	Tier 3	Tier 4			Tier 1*	Tier 2	Tier 3	Tier 4
PDP 157	\$5 copayment; 15% coinsurance of remaining cost share	\$15 copayment; 25% coinsurance of remaining cost share	\$25 copayment; 50% coinsurance of remaining cost share	N/A	\$5 copayment; 15% coinsurance of remaining cost share	\$15 copayment; 25% coinsurance of remaining cost share	\$25 copayment; 25% coinsurance of remaining cost share	N/A	\$0 copay	\$8,000	\$5 copayment; 15% coinsurance of remaining cost share	\$15 copayment; 25% coinsurance of remaining cost share	\$25 copayment; 25% coinsurance of remaining cost share	N/A

Note: Part D vaccines recommended by the Advisory Committee on Immunization Practices (ACIP) for adults may be available at no cost.

**Footnotes:**

- 1 ICL (Initial Coverage Limit): When total drug cost (the amount the member pays plus the amount Humana pays) reaches \$5,030.
- 2 Catastrophic: When a member's True Out-of-Pocket (TrOOP) cost reaches \$8,000.
- 3 Home Infusion Drugs: After the deductible has been met, these drugs will be covered at the specified cost shares in the Coverage Gap.
- 4 Retail and Mail Order: The benefit for a 90-day supply is limited to Rx formulary Tiers 1-2 and most drugs on Tier 3. Regardless of tier placement, Specialty drugs are limited to a 30-day supply.

**Out of Network: Emergency Situations**

When a member purchases a drug at an out-of-network pharmacy in an emergency situation:

- a. the member will pay the same coinsurance as would have applied at a network pharmacy, but at the out-of-network pharmacy price, and/or,
- b. the member will pay the same copayment as would have applied at a network pharmacy, plus the difference between the out-of-network pharmacy price and the network pharmacy price.

Extra Services

The benefit and discount information presented here are current as of the date of this document. If a change should occur prior to implementation, Humana will clarify any change and notify the group sponsor. The products and services described below are neither offered nor guaranteed under our contract with the Medicare program. In addition, they are not subject to the Medicare appeals process. Any disputes regarding these products and services should be addressed with Customer Care by calling the number on the back of the member's Humana membership card. CMS does not permit discussing the below services with potential enrollees prior to enrollment.

•Complementary and Alternative Medicine and Weight Management Discount (Trivity) - Not available in Puerto Rico	Members receive discounts for complementary alternative medicine and weight management services including discounted rates for: specialists, Nutrisystem, The Vitamin Shoppe, Fitbit, and United Pet Care. Services must be received from participating Tivity Health providers.
• Dental Discount (HumanaDental) - Not available in Florida or Puerto Rico	Members can receive discounts on dental services when services are received from participating HumanaDental providers.
• Dental Discount (Florida GoldPlus) - Available in Florida only	Members can receive discounts on dental services when services are received from participating Florida GoldPlus providers.
• Healthy Hearing Discount (HearUSA) - Available in Florida only	Discounts on hearing aids, accessories and hearing assistance products.
• Hearing Discount (TruHearing) - Not available in Florida or Puerto Rico	Hearing aid discounts are available to members who purchase hearing aids at any TruHearing Hearing Center. Members must schedule appointments with TruHearing before seeing a clinician.
• Personal Emergency Response System (Lifeline® Medical Alert Systems)	Discounts available to members when purchasing Lifeline medical alert systems and medication dispensers.
• Meal Delivery Discount (Mom's Meals)	Members receive discounts on home delivered meals to help support nutritional needs.
• Prescription Medication Discount	Lifeline may help members live independently with a peace of mind. Personal emergency response services connect members to caregivers and emergency services when an incident occurs. Wireless or landline options available.
• Bill Management Service (Silver Bills)	Members can receive a discount on monthly bill management services.
• Dental Health (Truthbrush)	Discounts on toothbrush tracking devices that monitors dental habits and performance through the use of an app.
• Digital Fitness Program Discount	Discounts on monthly online subscription that provides access to fitness classes through live workouts and on-demand videos specially developed for seniors.
• Vision Discount (EyeMed)	Discounts from participating EyeMed Vision Care Select network providers on routine vision services such as: Exam, contact lens fitting and follow-up, lenses, frames and laser vision correction. Discounts are taken at point of sale. Discount and funded benefits cannot be utilized within the same transaction.

This information is not a complete description of benefits. Contact the plan for more information. Limitations, copayments and restrictions may apply. Benefits, premiums and/or member cost-share may change each year. Part D benefit parameters, regulated by the Centers for Medicare and Medicaid Services (CMS), can impact Part D benefits on an annual basis. The formulary and pharmacy network may change at any time. The member will receive notice when necessary. Please refer to the Evidence of Coverage for additional information regarding covered services and limitations or any other contractual conditions. For a complete description of benefits, exclusions and limitations please refer to the actual Evidence of Coverage. If a discrepancy arises between this information and the actual Evidence of Coverage, the Evidence of Coverage will prevail in all instances.

Humana is a Medicare Employer Prescription Drug plan with a Medicare contract. Enrollment in this Humana plan depends on contract renewal.

# Attachment 2

6300 S Syracuse Way, Suite 555  
Centennial, CO 80111

T 720-252-7728

E [jbodenski@humana.com](mailto:jbodenski@humana.com)

August 8, 2023

North Dakota Public Employees Retirement System  
Rebecca Fricke, Chief Benefits Officer  
Scott Miller, Executive Director  
1600 E Century Ave, Suite 2  
Bismarck, ND 58503

## **RE: Humana 2024 Group Medicare Part D Prescription Drug Plan Renewal BAFO for North Dakota Public Employees Retirement System**

Dear Rebecca and Scott:

On behalf of Humana, I am pleased to submit the 2024 Group Medicare Part D Prescription Drug Plan (PDP) renewal BAFO for North Dakota Public Employees Retirement System (NDPERS). Humana has over 30 years of experience working with Medicare and nearly 2 years working with NDPERS. We are especially proud of our strong reputation for providing excellent customer service to our Group Medicare clients and helping them preserve benefits while containing costs. We are excited to continue our relationship with NDPERS and look forward to providing outstanding service and support to NDPERS and its retirees in 2024.

### **A Trusted Partnership**

When organizations choose a Group Medicare plan partner for their retirees, we know they want a carrier with a strong team of people who are knowledgeable, innovative, easy to work with and highly responsive. That is the type of partnership Humana provides to our Group Medicare clients and will continue to provide to NDPERS and your retirees.

We believe the qualities below are the foundation for the trust and highly productive partnerships we have built with our Group Medicare clients and retirees and are some of the components that comprise the Humana difference:

- **Retiree and Employer Experience:** One of Humana's key enterprise initiatives continues to be providing a "Perfect Experience" for our members and clients. A critical factor for success is understanding the unique needs of the Medicare-eligible population and being equipped to provide the necessary support when administering their benefits. To ensure this, Humana has a dedicated Group Medicare Operations team that services only our Group Medicare clients and their retirees. This team, together with our account management team, provides support to the retirees and NDPERS. NDPERS will continue to have a designated account installation manager who oversees the operational aspects of the plan. Retirees have a toll-free number to ask questions and receive direct support from Humana. The Customer Care specialists for NDPERS are a team specialized in Group Medicare and are primarily located in Louisville, Kentucky. An additional layer of support we continue to provide a designated account concierge specialist (ACS) for NDPERS. The ACS is available

to address routine questions from NDPERS and retirees and gives us the ability to respond quickly and effectively to issues that require special attention or handling. Having these additional resources enables us to expedite answering any questions that may arise.

- **Long-term sustainability:** Humana uses several methods to appropriately mitigate the cost of care while improving the well-being of retirees. These include early identification tools (predictive modeling, health assessments), clinical integration and guidance (outreach to members, alerts to providers, clinical and disease management programs), health and wellness programs, preventive screening reminders, efficient hospital, provider and pharmacy contracting, as well as a number of claims cost management programs (audits, billing review software, fraud detection, etc.). While a number of these tools apply MA plan members, this provides an overview of what goes into these methods to provide NDPERS and your retirees with the stability to ensure long-term sustainability.
- **Expertise, Quality, and Choice:** As our track record proves, quality is inherent in Humana's Medicare plans. Humana is committed to helping our members achieve lifelong well-being, a goal achieved through a variety of resources. In addition, we are continually enhancing our standard care management programs, wellness tools and resources, and supplemental benefits to offer the best member experience. Humana is dedicated to supporting members, providing vital guidance and service to thousands of our sickest and most costly members, helping them with drug safety, effectiveness and cost savings through our Medication Therapy Management program. We remain committed to all the retirees we serve and we aim to ensure Humana remains a premium choice for high quality, value and efficient Medicare coverage.
- **Provider partnership:** Humana believes it is also important to engage and collaborate with pharmacies and providers across the communities we serve. In support of our goal of an integrated care delivery model, we continue to work with providers to move away from the more traditional fee-for-service (FFS) reimbursement methodology towards a deeper partnership rooted in value-based arrangements that reward better health outcomes.
- **Our Track Record:** We are proud to be among the oldest and largest companies continuously operating private Medicare plans. This experience provides Humana with a long and successful track record of being able to understand the nuances of retiree benefits, provide retirees with a positive experience, and simultaneously provide the necessary support for clients. Throughout the year, we aim to create meaningful and impactful connections with members, while also valuing the client's level of interaction they desire from Humana.

### **Medicare Part D Prescription Drug Plan Renewal BAFO**

The 2024 renewal includes the following information:

- Renewal Exhibit – with required rate development per the Contract, Section 4.2, Renewals
- 2024 BAFO Rate Sheet with plan highlights
- 2024 BAFO Product Design Exhibit with plan details
- 2024 Performance Guarantee Agreement

### **Rating Factors**

In developing the Medicare Part D Prescription Drug Plan 2024 Renewal BAFO, several factors will be influencing the rate:

- Claims experience
- CMS reimbursements
- Pharmacy trends

- Plan change adjustments
  - o Plan changes under the Inflation Reduction Act
- Enrollment demographics

Taking into consideration all rating components provided in the 2024 PDP rate development (Renewal Exhibit) and additional plan experience, Humana is pleased to provide the 2024 Renewal BAFO:

**Humana is delivering the 2024 PDP BAFO rate of \$64.72 PMPM, a (\$5.00 PMPM) premium reduction from the current 2023 rate of \$69.72 PMPM.**

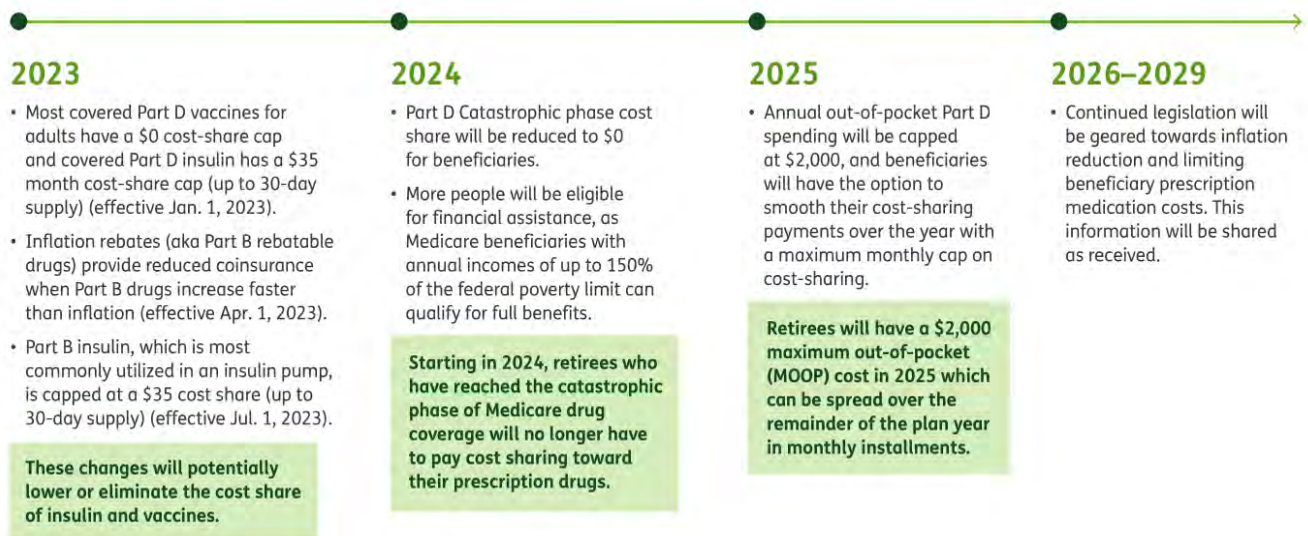
### Benefit and Plan Updates for 2024

With each year there are updates and changes that CMS directs carriers to follow.

For 2024, CMS has updated the Part D Standard cost share limits. Humana tracks the drug phases as a CMS requirement, which also affects reimbursement. The applicable limits are applied to the NDPERS Plan for 2024 and includes changes to the Part D Catastrophic phase applied under the Inflation Reduction Act (IRA). In 2024, members will have \$0 member cost share in the Catastrophic phase.

Stage	2023	2024
Deductible	\$505	\$545
Initial Coverage Limit (ICL)	\$4,660	\$5,030
TrOOP	\$7,400	\$8,000
Catastrophic	Greater of \$4.15 (Generics), \$10.35 (Brands), or 5%	\$0

The Inflation Reduction Act aims, in part, to reduce prescription medication costs for some popular drugs. Here are some of the notable changes:



Source:

1. Juliette Cubanski, Meredith Freed, and Tricia Neuman, "What Are the Prescription Drug Provisions in the Inflation Reduction Act?," Kaiser Family Foundation, last accessed Dec. 14, 2022, [www.kff.org/slideshow/what-are-the-prescription-drug-provisions-in-the-inflation-reduction-act/](http://www.kff.org/slideshow/what-are-the-prescription-drug-provisions-in-the-inflation-reduction-act/).



**Value Added Items and Services (VAIS):**

- The VAIS discount program is included with the Humana Part D Prescription Drug Plan. Members receive the VAIS discount information post-enrollment. Humana is adding one (1) new program for the 2024 coverage year.\*



**Truthbrush**

- Smart Teeth brushing trackers to improve oral healthcare
- 20% off devices
- Free App

- \*With initial release of the 2024 renewal, Humana highlighted two (2) new discount programs to be added: Truthbrush (toothbrush tracking device to track dental habits) and Balanced (digital fitness program), however, this has been reduced to add Truthbrush (only) for 2024. “Balanced” is removed and there is no member impact as the effective date was January 1, 2024, and messaging on the discount programs occurs after January 2024.
- The full listing of VAIS discounts are noted on page 3 of the PDP BAFO Plan Design Exhibit enclosed.

Humana places tremendous value on our relationship with the NDPERS. We will continue to explore ways to stabilize costs while providing the value and service that NDPERS and its retirees expect and deserve. We appreciate the trust and confidence you have placed in Humana and look forward to our continued partnership.

Sincerely,

A handwritten signature in cursive script, appearing to read 'Julie Bodenski'.

Julie Bodenski  
Account Executive  
Humana Group Medicare

CC: Stephanie Heller – Director, Account Management

Y0040\_GHHKSAKEN\_042023\_M



Humana Medicare Group Plan – Premium Information

NORTH DAKOTA PUBLIC EMPLOYEES RETIREMENT SYSTEM - PDP

BAFO

Date: 8/7/2023  
 Humana Medicare Group Plan  
 Plan Names: Custom PDP  
 Rx Formulary: Group Plus Formulary - 24800  
 Additional Medication Buy-Ups: Coughs and Colds, EDs Enhanced

Plan Year	Final Billed Premium (Per Member Per Month)
1/1/2024 - 12/31/2024	\$64.72

PDP 037 161 Rx Benefit Overview

Prescription Drugs (Retail 30 day supply)

Custom Rx \$5 copay plus 15% coinsurance/\$15 copay plus 25% coinsurance/\$25 copay plus 50% coinsurance/\$25 copay plus 50% coinsurance from \$0 to ICL; \$5 copay plus 15% coinsurance/\$15 copay plus 25% coinsurance/\$25 copay plus 25% coinsurance/\$25 copay plus 25% coinsurance from ICL to Catastrophic

\*\*\*See attached sheet for rating assumptions and stipulations. The benefits presented above are a high-level summary. Please consult the Plan Design Exhibit for a more detailed list of covered services, member cost shares, services subject to deductibles and any plan limitations.\*\*\*



**HUMANA MEDICARE EMPLOYER PDP PLAN**

2024 PDP for North Dakota Public Employees Retirement System Plan 037 Option 161

Group Plus Formulary - PDG 49

With Package(s): 2 (Cough/Cold) & 7 (Erectile Dysfunction)

Effective Date: 01/01/2024 - 12/31/2024

**30 Day Supplies**

PDP Option Number	30 Day Standard Retail from \$0 to ICL (1)				30 Day Standard Retail from ICL to Catastrophic (2) "Coverage Gap"				30 Day Standard Retail Cost Sharing from Catastrophic to Unlimited	Out-of-Pocket that triggers Catastrophic	30 Day Standard Retail Home Infusion Drugs (3)			
	Tier 1*	Tier 2	Tier 3	Tier 4	Tier 1*	Tier 2	Tier 3	Tier 4			Tier 1*	Tier 2	Tier 3	Tier 4
PDP 157	\$5 copayment; 15% coinsurance of remaining cost share	\$15 copayment; 25% coinsurance of remaining cost share	\$25 copayment; 50% coinsurance of remaining cost share	\$25 copayment; 50% coinsurance of remaining cost share	\$5 copayment; 15% coinsurance of remaining cost share	\$15 copayment; 25% coinsurance of remaining cost share	\$25 copayment; 25% coinsurance of remaining cost share	\$25 copayment; 25% coinsurance of remaining cost share	\$0 copay	\$8,000	\$5 copayment; 15% coinsurance of remaining cost share	\$15 copayment; 25% coinsurance of remaining cost share	\$25 copayment; 25% coinsurance of remaining cost share	\$25 copayment; 25% coinsurance of remaining cost share

PDP Option Number	30 Day Standard Mail Order from \$0 to ICL (1)				30 Day Standard Mail Order from ICL to Catastrophic (2) "Coverage Gap"				30 Day Standard Mail Order Cost Sharing from Catastrophic to Unlimited	Out-of-Pocket that triggers Catastrophic	30 Day Standard Mail Order Home Infusion Drugs (3)			
	Tier 1*	Tier 2	Tier 3	Tier 4	Tier 1*	Tier 2	Tier 3	Tier 4			Tier 1*	Tier 2	Tier 3	Tier 4
PDP 157	\$5 copayment; 15% coinsurance of remaining cost share	\$15 copayment; 25% coinsurance of remaining cost share	\$25 copayment; 50% coinsurance of remaining cost share	\$25 copayment; 50% coinsurance of remaining cost share	\$5 copayment; 15% coinsurance of remaining cost share	\$15 copayment; 25% coinsurance of remaining cost share	\$25 copayment; 25% coinsurance of remaining cost share	\$25 copayment; 25% coinsurance of remaining cost share	\$0 copay	\$8,000	\$5 copayment; 15% coinsurance of remaining cost share	\$15 copayment; 25% coinsurance of remaining cost share	\$25 copayment; 25% coinsurance of remaining cost share	\$25 copayment; 25% coinsurance of remaining cost share

Note: Part D vaccines recommended by the Advisory Committee on Immunization Practices (ACIP) for adults may be available at no cost.

Plan covered insulin products will not exceed \$35 for a one-month supply no matter what cost-sharing tier it's on

- \*Tier 1: Generic or Preferred Generic - Generic or brand drugs that are available at the lowest cost share for this plan.
- Tier 2: Preferred Brand - Generic or brand drugs that Humana offers at a lower cost than Tier 3 Non-Preferred Drug.
- Tier 3: Non-Preferred Drug - Generic or brand drugs that Humana offered at a higher cost than Tier 2 Preferred Brand drugs.
- Tier 4: Specialty Tier - Some injectables and other higher-cost drugs.

90 Day Supplies

PDP Option Number	90 Day Standard Retail (4) from \$0 to ICL (1)				90 Day Standard Retail from ICL to Catastrophic (2) "Coverage Gap"				90 Day Standard Retail Cost Sharing from Catastrophic to Unlimited	Out-of-Pocket that triggers Catastrophic	90 Day Standard Retail Home Infusion Drugs (3)			
	Tier 1*	Tier 2	Tier 3	Tier 4	Tier 1*	Tier 2	Tier 3	Tier 4			Tier 1*	Tier 2	Tier 3	Tier 4
PDP 157	\$5 copayment; 15% coinsurance of remaining cost share	\$15 copayment; 25% coinsurance of remaining cost share	\$25 copayment; 50% coinsurance of remaining cost share	N/A	\$5 copayment; 15% coinsurance of remaining cost share	\$15 copayment; 25% coinsurance of remaining cost share	\$25 copayment; 25% coinsurance of remaining cost share	N/A	\$0 copay	\$8,000	\$5 copayment; 15% coinsurance of remaining cost share	\$15 copayment; 25% coinsurance of remaining cost share	\$25 copayment; 25% coinsurance of remaining cost share	N/A

PDP Option Number	90 Day Standard Mail Order (4) from \$0 to ICL (1)				90 Day Standard Mail Order from ICL to Catastrophic (2) "Coverage Gap"				90 Day Standard Mail Order Cost Sharing from Catastrophic to Unlimited	Out-of-Pocket that triggers Catastrophic	90 Day Standard Mail Order Home Infusion Drugs (3)			
	Tier 1*	Tier 2	Tier 3	Tier 4	Tier 1*	Tier 2	Tier 3	Tier 4			Tier 1*	Tier 2	Tier 3	Tier 4
PDP 157	\$5 copayment; 15% coinsurance of remaining cost share	\$15 copayment; 25% coinsurance of remaining cost share	\$25 copayment; 50% coinsurance of remaining cost share	N/A	\$5 copayment; 15% coinsurance of remaining cost share	\$15 copayment; 25% coinsurance of remaining cost share	\$25 copayment; 25% coinsurance of remaining cost share	N/A	\$0 copay	\$8,000	\$5 copayment; 15% coinsurance of remaining cost share	\$15 copayment; 25% coinsurance of remaining cost share	\$25 copayment; 25% coinsurance of remaining cost share	N/A

Note: Part D vaccines recommended by the Advisory Committee on Immunization Practices (ACIP) for adults may be available at no cost.

**Footnotes:**

- 1 ICL (Initial Coverage Limit): When total drug cost (the amount the member pays plus the amount Humana pays) reaches \$5,030.
- 2 Catastrophic: When a member's True Out-of-Pocket (TrOOP) cost reaches \$8,000.
- 3 Home Infusion Drugs: After the deductible has been met, these drugs will be covered at the specified cost shares in the Coverage Gap.
- 4 Retail and Mail Order: The benefit for a 90-day supply is limited to Rx formulary Tiers 1-2 and most drugs on Tier 3. Regardless of tier placement, Specialty drugs are limited to a 30-day supply.

**Out of Network: Emergency Situations**

When a member purchases a drug at an out-of-network pharmacy in an emergency situation:

- a. the member will pay the same coinsurance as would have applied at a network pharmacy, but at the out-of-network pharmacy price, and/or,
- b. the member will pay the same copayment as would have applied at a network pharmacy, plus the difference between the out-of-network pharmacy price and the network pharmacy price.

Extra Services

The benefit and discount information presented here are current as of the date of this document. If a change should occur prior to implementation, Humana will clarify any change and notify the group sponsor. The products and services described below are neither offered nor guaranteed under our contract with the Medicare program. In addition, they are not subject to the Medicare appeals process. Any disputes regarding these products and services should be addressed with Customer Care by calling the number on the back of the member's Humana membership card. CMS does not permit discussing the below services with potential enrollees prior to enrollment.

•Complementary and Alternative Medicine and Weight Management Discount (Trivity) - Not available in Puerto Rico	Members receive discounts for complementary alternative medicine and weight management services including discounted rates for: specialists, Nutrisystem, The Vitamin Shoppe, Fitbit, and United Pet Care. Services must be received from participating Tivity Health providers.
• Dental Discount (HumanaDental) - Not available in Florida or Puerto Rico	Members can receive discounts on dental services when services are received from participating HumanaDental providers.
• Dental Discount (Florida GoldPlus) - Available in Florida only	Members can receive discounts on dental services when services are received from participating Florida GoldPlus providers.
• Healthy Hearing Discount (HearUSA) - Available in Florida only	Discounts on hearing aids, accessories and hearing assistance products.
• Hearing Discount (TruHearing) - Not available in Florida or Puerto Rico	Hearing aid discounts are available to members who purchase hearing aids at any TruHearing Hearing Center. Members must schedule appointments with TruHearing before seeing a clinician.
• Personal Emergency Response System (Lifeline® Medical Alert Systems)	Discounts available to members when purchasing Lifeline medical alert systems and medication dispensers.
• Meal Delivery Discount (Mom's Meals)	Members receive discounts on home delivered meals to help support nutritional needs.
• Prescription Medication Discount	Lifeline may help members live independently with a peace of mind. Personal emergency response services connect members to caregivers and emergency services when an incident occurs. Wireless or landline options available.
• Bill Management Service (Silver Bills)	Members can receive a discount on monthly bill management services.
• Dental Health (Truthbrush)	Discounts on toothbrush tracking devices that monitors dental habits and performance through the use of an app.
• Vision Discount (EyeMed)	Discounts from participating EyeMed Vision Care Select network providers on routine vision services such as: Exam, contact lens fitting and follow-up, lenses, frames and laser vision correction. Discounts are taken at point of sale. Discount and funded benefits cannot be utilized within the same transaction.

This information is not a complete description of benefits. Contact the plan for more information. Limitations, copayments and restrictions may apply. Benefits, premiums and/or member cost-share may change each year. Part D benefit parameters, regulated by the Centers for Medicare and Medicaid Services (CMS), can impact Part D benefits on an annual basis. The formulary and pharmacy network may change at any time. The member will receive notice when necessary. Please refer to the Evidence of Coverage for additional information regarding covered services and limitations or any other contractual conditions. For a complete description of benefits, exclusions and limitations please refer to the actual Evidence of Coverage. If a discrepancy arises between this information and the actual Evidence of Coverage, the Evidence of Coverage will prevail in all instances.

Humana is a Medicare Employer Prescription Drug plan with a Medicare contract. Enrollment in this Humana plan depends on contract renewal.

North Dakota Public Employees Retirement Systems



Attachment 4

2024 Group Medicare Performance Standards for PDP Only

Effective January 1, 2024 through December 31, 2024

Minimum Annual Average Membership Requirement: None

PG#	Category	Target	Standard & Measurement Criteria	Amount at Risk
1	Plan Performance Review	Measurement methodology shall be measured from date of delivery of the plan performance review in calendar days	Within ten (10) calendar days following delivery of performance reviews to NDPERS, vendor shall develop and submit a corrective action plan (CAP) of issues identified for approval by NDPERS, and implement such plan within the time prescribed in the approved CAP.	Semi-annually \$1,000 per calendar day beyond the due date
2.1	Customer Satisfaction Surveys	Vendor will provide annual survey results to confirm compliance with performance standard	Member satisfaction surveys will be designed by the vendor and approved by NDPERS. Vendor will invite a random sample of members to participate in the survey to collect a statistically significant number of completed surveys.  Member satisfaction rate will meet 90% or higher using a 1-5 scale of Completely Satisfied, Very Satisfied, Satisfied, Dissatisfied, Very Dissatisfied.  Final survey questions and methodology will be agreed upon by vendor and NDPERS.	Annually \$25,000 per year
2.2	Customer Satisfaction Surveys - Illustrative Only	Illustrative Group Specific Results Only - see 2.1	Illustrative Group Specific Results Only - see 2.1	Illustrative Group Specific Results Only - see 2.1
3	Team Meetings	Compliance to be monitored and assessed by NDPERS	NDPERS requires monthly team meetings to address all planning / implementation, business, financial, clinical / formulary (including new drug review) and operational needs	Monthly \$5,000 for each meeting missed
4	NDPERS board meetings	Compliance to be monitored and assessed by NDPERS	Vendor will participate in quarterly performance reviews to examine operational and financial performance	Quarterly \$5,000 for each quarter missed
5	Electronic Eligibility	Vendor will provide quarterly reports to confirm compliance with performance standard	Eligibility files will be installed in an electronic medium, logged within eight (8) hours and status will be effective within vendor's system within eighteen (18) hours from date of receipt, seven (7) days per week.	Quarterly \$500 for each missed file deadline
6	Manual Eligibility	Vendor will provide quarterly reports to confirm compliance with performance standard	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.	Quarterly \$500 for each missed file deadline
7	Error Reports	Vendor will provide quarterly reports to confirm compliance with performance standard	An error report on all eligibility file updates will be produced within eighteen (18) hours from the update.	Quarterly \$500 for each missed file deadline
8	Data Files	Will be available to NDPERS on request	Monthly data files (membership, medical, pharmacy) will be available by the 15th of the following month.	Monthly \$1,000 for each month not met
9	Claims Financial Accuracy	Claims Financial Accuracy will be 99% or greater, each year of the biennium. Measured as the absolute value of financial errors divided by the total paid value of audited dollars paid based on quarterly internal audit of statistically valid sample.	Vendor will provide annual reports to confirm compliance with performance standard	Annually \$12,500 per year
10	Claims Payment Accuracy	Vendor will provide annual reports to confirm compliance with performance standard	Claims Payment incidence Accuracy will be 98% or greater, each year of the biennium. Measured as the percent of Claims processed without financial payment error.	Annually \$12,500 per year

North Dakota Public Employees Retirement Systems



2024 Group Medicare Performance Standards for PDP Only

Effective January 1, 2024 through December 31, 2024

Minimum Annual Average Membership Requirement: None

PG#	Category	Target	Standard & Measurement Criteria	Amount at Risk
11	Claims Processing Accuracy	Claims Procedural Accuracy will be 95% or greater, each year of the biennium. Measured as the percent of Claims processed without non-financial error.	Vendor will provide annual reports to confirm compliance with performance standard	Annually \$12,500 per year
12	Claim Timeliness	Clean claims processing within 14 calendar days will be 95% or greater, each year of the biennium. Measured from the date the claim is received to the date claim is processed	Vendor will provide annual reports to confirm compliance with performance standard	Annually \$12,500 per year
13	Average Speed to Answer (ASA)	Vendor will provide semi-annual reports to confirm compliance with performance standard	Average Speed of Answer will be 30 seconds or less, each year of the biennium. Vendor will have an established measurement process that shall be reviewed with NDPERS	Semi-annually \$10,000 per year
14	Call Abandonment	Vendor will provide annual reports to confirm compliance with performance standard	Call Abandonment rate will be 5% or less, each year of the biennium	Annually \$10,000 per year
15 a	Accuracy and Timelines/	Vendor must evaluate a statistically valid sample of inquiries with reports provided.	a.) 95% percent of callers receive accurate information. Calls requiring additional research is excluded from the computation of this metric.	15a, 15b, and 15c Annually \$12,500 per year
15 b	First Call Resolution	Vendor must evaluate a statistically valid sample of inquiries with reports provided.	b.) 95% percent of inquiries must be resolved during the initial call (excluding appeals, billing, errors and escalations).	15a, 15b, and 15c Annually \$12,500 per year
15 c	Written Inquiry Response Time	Vendor must evaluate a statistically valid sample of inquiries with reports provided.	c.) ≥ 90% response to written inquiries within 30 calendar days	15a, 15b, and 15c Annually \$12,500 per year
16	Prescription drug turnaround time – clean prescriptions	Vendor will provide quarterly reports to confirm compliance with performance standard	98% within two (2) business days if no intervention required	Quarterly \$1,000 for each point below standard-
17	Prescription drug mail dispensing accuracy	Vendor will provide annual reports to confirm compliance with performance standard	99.9% Mail service dispensing accuracy rate. Fields measured include member name, drug strength, directions, quantity and prescriber name.	Annually \$12,500 per year
18	Prescription drug home delivery member notifications	Vendor will provide annual reports to confirm compliance with performance standard	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	Annually \$12,500 per year

North Dakota Public Employees Retirement Systems



2024 Group Medicare Performance Standards for PDP Only

Effective January 1, 2024 through December 31, 2024

Minimum Annual Average Membership Requirement: None

PG#	Category	Target	Standard & Measurement Criteria	Amount at Risk
19	Prescription drug specialty pharmacy delivery	Vendor will provide annual reports to confirm compliance with performance standard	98% of prescriptions will be delivered and received by patients on the specified date of delivery	Annually \$12,500 per year
20	Network Pharmacy Access	Vendor will provide annual reports to confirm compliance with performance standard	Pharmacy network composition will not be reduced by more than 5% in North Dakota compared to the network submitted in the RFP	Annually \$12,500 per year
21	Data Systems Availability and Adjudication	Book of business level	Guarantees an annual average 99% system availability of the point-of-sale adjudication system on a book of business basis. This standard excludes downtime attributed to regularly scheduled systems maintenance or systems downtime	Annually \$12,500 per year

Humana agrees to meet the performance standards as outlined above in providing administrative services for North Dakota Public Employees Retirement Systems. This agreement is contingent upon Humana being the only Part D Prescription Drug option for Medicare eligible retirees. The agreement will be for the 12 month contract period beginning January 1, 2024 and ending December 31, 2024. This Performance Guarantee offering is based on a PDP Only plan offering. Performance results will be reported quarterly based upon center results for the member and claims services categories, not client specific results (except where otherwise stated) within 60 days after the end of the reporting period. Results will be assessed based on the annual results with payment of any penalties due following the end of the plan year. Please note that the performance standards are influenced by key market indicators (including changes in rules and standards from CMS) which could impact our performance standard metrics.

During implementation if significant changes to the Client's Plan, or in the event a benefit change notification is not received from the Client on a timely basis, Humana will not be responsible for performance results or penalty amounts as described within this Agreement.

ACCEPTED AND AGREED:

By: \_\_\_\_\_ Date: \_\_\_\_\_

In order for this contract to be binding, signatures are required from the client. This signed exhibit must be returned to the Humana Account Executive prior to implementation and no later than 30 days post effective date.



# Attachment 5



**NORTH DAKOTA  
PUBLIC EMPLOYEES  
RETIREMENT SYSTEM**

## **Request for Proposal**

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

**Release Date: August 16, 2023**

**Due Date: September 6, 2023**

**Effective Date: January 1, 2024**

# Contents

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<b>IX.</b>	Confidentiality	14
<b>Appendix A</b>	Response Template	Attached
<b>Appendix B</b>	Medicare Part D EGWP+Wrap Questionnaire	Attached
<b>Appendix C</b>	Medicare Part D EGWP+Wrap Cost Proposal	Attached
<b>Appendix D</b>	Medicare Part D EGWP+Wrap Formulary & Network Match	Attached
<b>Appendix E</b>	Medicare Part D EGWP+Wrap Model Contract	Attached
<b>Appendix F</b>	Medicare Part D EGWP+Wrap Services to be Performed	Attached
<b>Appendix G</b>	Medicare Part D EGWP+Wrap Performance Guarantees	Attached
<b>Appendix H</b>	Medicare Part D EGWP+Wrap Confidential Information	Attached
<b>Appendix I</b>	Medicare Part D EGWP+Wrap Proposed Deviations	Attached
<b>Exhibit 1</b>	2021 Medicare Part D EGWP+Wrap Prescription Drug Claims	Attached*
<b>Exhibit 2</b>	2022 Medicare Part D EGWP+Wrap Prescription Drug Claims	Attached*
<b>Exhibit 3</b>	2021 & 2022 Medicare Part D EGWP+Wrap Enrollment	Attached
<b>Exhibit 4</b>	2023 Medicare Part D EGWP+Wrap Utilization Management	Attached
<b>Exhibit 5</b>	2023 Member Roster as of March 2023	Attached
<b>Exhibit 6</b>	Medicare Part D Eligibility File Layout	Attached

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

## I. Proposed Timetable

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

<b>Activity</b>	<b>Date/Time</b>
<b>RFP Published</b>	August 16, 2023
<b>Questions Due</b>	August 23, 2023
<b>Question Answers Posted</b>	August 28, 2023
<b>Proposals Due</b>	September 6, 2023
<b>NDPERS Staff Interviews</b>	Week of September 18
<b>NDPERS Board Presentations</b>	Week of September 18
<b>Selection of Vendor</b>	September 2023
<b>Contract Effective Date</b>	January 1, 2024

## II. Delivery of Proposals

### Instructions

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

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

## Proposal Format and Contact Information

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

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

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

Vendors are required to submit one (1) unbound original and six (6) paper copies of the *qualitative proposals* along with one (1) electronic copy (USB flash drive) as well as one (1) electronic, editable, PDF redacted copy of the qualitative proposal on a separate flash drive (note that the electronic redacted copy may not be a picture) to:

Katheryne Korom  
North Dakota PERS  
1600 East Century Avenue, Suite 2  
PO Box 1657  
Bismarck, ND 58502

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

PLEASE NOTE: Cost proposals should only be submitted to Deloitte Consulting. Cost proposals should follow the Confidential/Proprietary Information instructions in Appendix H. Any provisions of the Vendor's proposal that are desired to be confidential must be identified specifically on each page of the proposal and included in the table provided in Appendix H.

Ford Edgerton  
Deloitte Consulting  
[fedgerton@deloitte.com](mailto:fedgerton@deloitte.com)

### **III. Objective of RFP**

#### **North Dakota Public Employees Retirement System – Strategic Objectives**

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

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

#### **Partnership Considerations**

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

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

This request for proposal is intended to provide NDPERS with the necessary information to assess your capabilities and strategic fit. To the extent that you see opportunities to

add value that we have not explicitly identified in the RFP, please provide additional information.

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

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

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

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

*The following policy provisions apply to a self-insurance health plan or to the administrative services only or third-party administrator, and are subject to the jurisdiction of the commissioner: 26.1-36-03, 26.1-36 -03.1, 26.1-3 -05, 26.1- 36-10, 26.1-36 12, 26.1-36-12.4, 26.1-36-12.6, 26.1-13, 26.1-36-14, 26.1-36-17, 26.1-36-18, 26.1-36-19, 26.1-36-23, 26.1-36 -29, 26.1-36-37.1, 26.1-36-38, 26.1- 36-39, 26.1-36-41, 26.1-36 44, and 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 or other applicable state laws, you may still submit a proposal that specifies which provisions you are unable to comply with, why you are unable to comply, additional costs associated with compliance, and a recommended approach to meeting the intent of the law.

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

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

1. *If the prescription drug coverage component of a health insurance benefits coverage contract received in response to a request for bids under section 54-52.1-04 utilizes the services of a pharmacy benefits manager, either contracted directly with a pharmacy benefits manager or indirectly through the health insurer, in addition to the factors set forth under section 54-52.1-04 the board shall consider and give preference to an insurer's contract that:*
  - a. *Provides the board or the board's auditor with a copy of the insurer's current contract with the pharmacy benefits management company which controls the prescriptions*

- drug coverage offered as part of the health insurance benefits coverage, and if the contract is revised or a new contract is entered, requires the insurer to provide the board with the revision or new contract within thirty days of the change.*
- b. Provides the board with monthly claims data and information on all programs being implemented or modified, including prior authorization, step therapy, mandatory use of generic drugs, or quantity limits.*
  - c. Describes the extent to which the board may customize the benefit plan design, including copayments, coinsurance, deductibles, and out-of-pocket limits; the drugs that are covered; the formulary; and the member programs implemented.*
  - d. Describes the audit rights of the board.*
- 2. The board may conduct annual audits to the extent permitted under the contract terms agreed to under subsection 1. The audits must include:*
- a. A review of a complete set of electronic prescription coverage claims data reflecting all submitted claims, including information fields identified by the board.*
  - b. A review of a list of all programs that have been implemented or modified during the audit period under subsection 1, and in connection with each program the auditor shall report on the cost, the cost savings or avoidance, member disruption, the process for and number of overrides or approvals and disapprovals, and clinical outcomes.*
  - c. Recommendations for proposed changes to the prescription drug benefit programs to decrease costs and improve plan beneficiaries' health care treatment.*
- 3. Information provided to the board under the contract provisions required under this section are confidential; however, the board may disclose the information to retained experts and the information retains its confidential status in the possession of these experts.*
- 4. The board may retain an auditor of the board's choice which is not a competitor of the pharmacy benefits manager; a pharmaceutical manufacturer representative; or any retail, mail, or specialty drug pharmacy representative or vendor.*

## **Model Contract**

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

## **Contract Term and Renewals**

The term of this contract is one year, January 1 through December 31, 2024. The NDPERS Board intends that the successful bidder will have the opportunity to renew this contract five (5) additional times. The NDPERS Board will consider the following when determining whether to renew for subsequent plan years:

1. Satisfactory renewal price
2. Whether vendor performance has met the Board's expectations, and



3. Any other information the Board chooses to consider

The above are outlined in more detail NDCC 54-52.1-05. The renewal process will begin at the end of April when the PBM partner will submit an estimated renewal to the Board. The NDPERS Board may determine at this point to go out to bid or to defer a decision until August when the carrier will submit a formal renewal proposal and the NDPERS Board will decide to renew or go to bid.

## **IV. Overview of the NDPERS Program**

### **NDPERS**

The North Dakota Public Employees Retirement System is responsible for the administration of the State's retirement, health, life, dental, deferred compensation, flex comp, retiree health insurance credit, and EAP programs. This RFP is for general consulting assistance in the health, Medicare Part D, life, dental, vision, and EAP program areas.

Pursuant to 54-52-03, <https://www.ndlegis.gov/cencode/t54c52.pdf>, NDPERS is managed by a Board of trustees.

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.

### **PROGRAMS**

To review the benefit programs administered by NDPERS visit the NDPERS website at:

<https://www.ndpers.nd.gov/>

### **Current EGWP Benefit**

The following table provides a summary of the current (2023) NDPERS EGWP benefit, including cost-sharing information. This plan provides coverage across all stages of an individual's benefit. Please be advised that NDPERS will update the Initial Coverage Limit, Out-of-Pocket Threshold, and Catastrophic Coverage Benefit consistent with the CMS Standard Benefit in 2024.

## Prescription Drug Benefits

Initial coverage (after you pay your deductible, if applicable)

You pay the following until your total yearly drug costs reach **\$4,660**. Total yearly drug costs are the total drug costs paid by both you and our Part D plan.

Tier	Standard Retail Pharmacy	Standard Mail Order
<b>30-day supply</b>		
<b>1 (Generic or Preferred Generic)</b>	<b>\$5</b> copay and you pay <b>15%</b> of the remaining cost share	<b>\$5</b> copay and you pay <b>15%</b> of the remaining cost share
<b>2 (Preferred Brand)</b>	<b>\$15</b> copay and you pay <b>25%</b> of the remaining cost share	<b>\$15</b> copay and you pay <b>25%</b> of the remaining cost share
<b>3 (Non-Preferred Drug)</b>	<b>\$25</b> copay and you pay <b>50%</b> of the remaining cost share	<b>\$25</b> copay and you pay <b>50%</b> of the remaining cost share
<b>4 (Specialty Tier)</b>	<b>\$25</b> copay and you pay <b>50%</b> of the remaining cost share	<b>\$25</b> copay and you pay <b>50%</b> of the remaining cost share
<b>90-day supply</b>		
<b>1 (Generic or Preferred Generic)</b>	<b>\$5</b> copay and you pay <b>15%</b> of the remaining cost share	<b>\$5</b> copay and you pay <b>15%</b> of the remaining cost share
<b>2 (Preferred Brand)</b>	<b>\$15</b> copay and you pay <b>25%</b> of the remaining cost share	<b>\$15</b> copay and you pay <b>25%</b> of the remaining cost share
<b>3 (Non-Preferred Drug)</b>	<b>\$25</b> copay and you pay <b>50%</b> of the remaining cost share	<b>\$25</b> copay and you pay <b>50%</b> of the remaining cost share
<b>4 (Specialty Tier)</b>	N/A	N/A

There may be generic and brand-name drugs, as well as Medicare-covered drugs, in each of the tiers. To identify commonly prescribed drugs in each tier, see the Prescription Drug Guide/Formulary. To view the most complete and current Drug Guide information online, visit [www.humana.com/SearchResources](http://www.humana.com/SearchResources), locate Prescription Drug section, select [www.humana.com/MedicareDrugList](http://www.humana.com/MedicareDrugList) link; under Printable drug lists, click Printable Drug lists, select future plan year, select Group Medicare under Plan Type and search for GRP49.

After you leave the Initial Coverage Stage, we will continue to provide some prescription drug coverage in the Coverage Gap. For details about which types of drugs are covered and their cost-shares, see the charts below.

The table below shows what you pay when you get a one-month supply of a drug.

	<b>Standard retail cost-sharing (in-network) (up to a 30-day supply)</b>	<b>Mail-order cost-sharing (up to a 30-day supply)</b>	<b>Long-term care (LTC) cost-sharing (up to a 31-day supply)</b>	<b>Out-of-network cost-sharing (up to a 30-day supply) (coverage is limited to certain situations; see Chapter 3 for details.)*</b>
<b>Cost-Sharing Tier 1</b> (Generic or Preferred Generic)	\$5 copay Member pays 15% in addition to the tier specific cost share	\$5 copay Member pays 15% in addition to the tier specific cost share	\$5 copay Member pays 15% in addition to the tier specific cost share	\$5 copay Member pays 15% in addition to the tier specific cost share
<b>Cost-Sharing Tier 2</b>	\$15 copay Member pays 25% in addition to the tier specific cost share	\$15 copay Member pays 25% in addition to the tier specific cost share	\$15 copay Member pays 25% in addition to the tier specific cost share	\$15 copay Member pays 25% in addition to the tier specific cost share
<b>Cost-Sharing Tier 3</b> (Non-Preferred Drug)	\$25 copay Member pays 25% in addition to the tier specific cost share	\$25 copay Member pays 25% in addition to the tier specific cost share	\$25 copay Member pays 25% in addition to the tier specific cost share	\$25 copay Member pays 25% in addition to the tier specific cost share
<b>Cost-Sharing Tier 4</b> (Specialty)	\$25 copay Member pays 25% in addition to the tier specific cost share	\$25 copay Member pays 25% in addition to the tier specific cost share	\$25 copay Member pays 25% in addition to the tier specific cost share	\$25 copay Member pays 25% in addition to the tier specific cost share

\* You pay the in-network cost-share plus the difference between the in-network cost and the out-of-network cost for covered prescription drugs received from a non-network pharmacy.

The table below shows what you pay when you get a *long-term 90-day supply* of a drug.

	<b>Standard retail cost-sharing (in-network) (up to a 90-day supply)</b>	<b>Mail-order cost-sharing (up to a 90-day supply)</b>
<b>Cost-Sharing Tier 1</b> (Generic or Preferred Generic)	\$5 copay Member pays 15% in addition to the tier specific cost share	\$5 copay Member pays 15% in addition to the tier specific cost share
<b>Cost-Sharing Tier 2</b> (Preferred Brand)	\$15 copay Member pays 25% in addition to the tier specific cost share	\$15 copay Member pays 25% in addition to the tier specific cost share
<b>Cost-Sharing Tier 3</b> (Non-Preferred Drug)	\$25 copay Member pays 25% in addition to the tier specific cost share	\$25 copay Member pays 25% in addition to the tier specific cost share
<b>Cost-Sharing Tier 4</b> (Specialty)	A long-term supply is not available for drugs in Tier 4	A long-term supply is not available for drugs in Tier 4

Regardless of tier placement, Specialty drugs are limited to a one-month supply.

Medicare has rules about what counts and what does not count as your out-of-pocket costs. When you reach an out-of-pocket limit of \$7400, you leave the Coverage Gap Stage and move on to the Catastrophic Coverage Stage.

For complete details on the plan, please review the Benefits Overview at <https://www.ndpers.nd.gov/retired-members/insurance-plans-retired-members/health-insurance-plans-retired-members/medicare>

## Services

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

## Eligibility

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

*Thus, a retiree electing to enroll with NDPERS must participate in both the NDPERS supplemental plan (Dakota Retiree Plan) and the NDPERS EGWP plan. NDPERS expects that this requirement will continue; however, if your proposed quote would change based on an*

*“unbundled” benefit (or if the proposal would change based on higher or lower enrollment), please describe how your proposal would change in your Appendix C submission.*

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

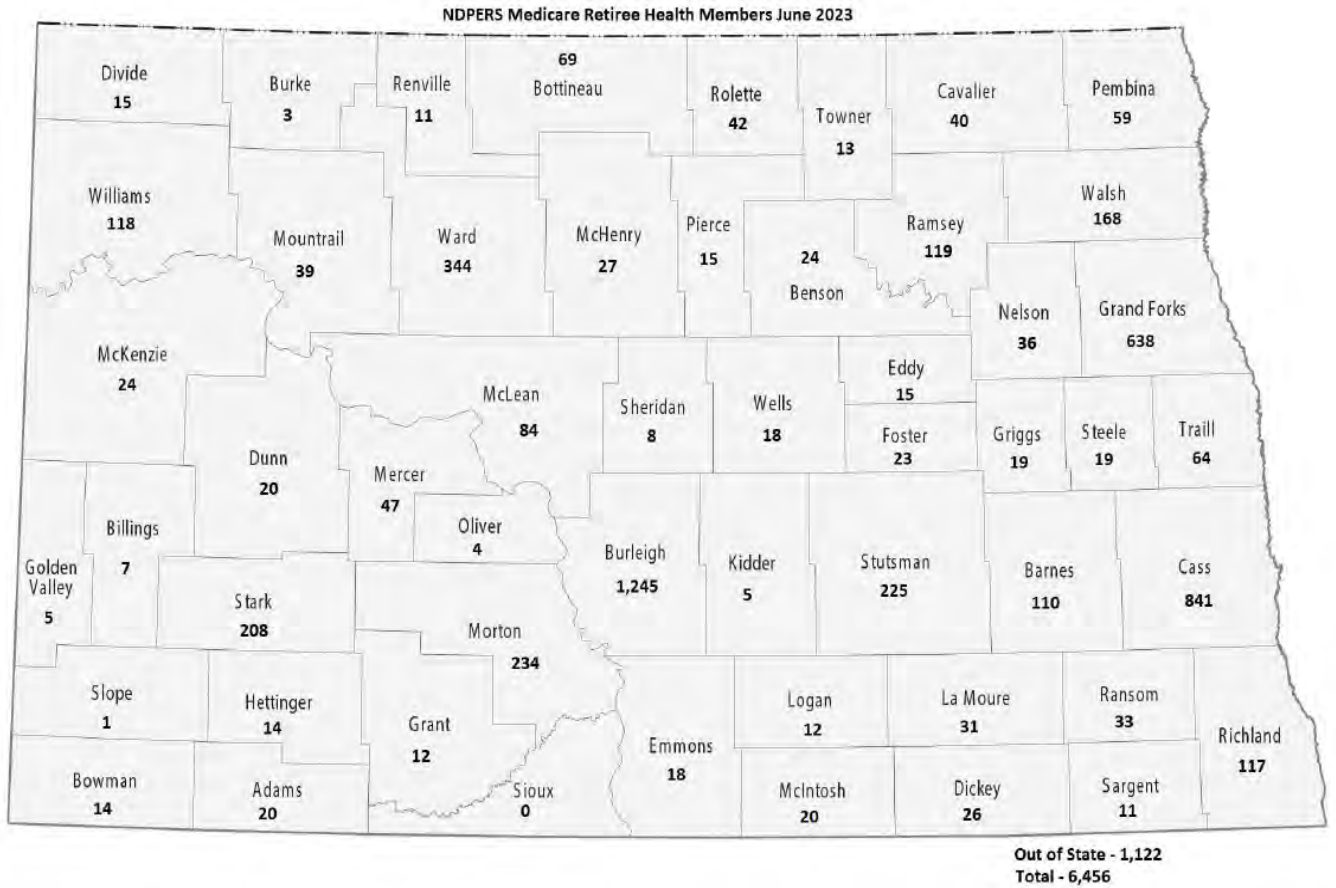
Applications for coverage must be submitted within 31 days of Medicare entitlement or an NDPERS-approved qualifying event. The retiree and/or spouse must have both Medicare A & B in order to be eligible for coverage. The NDPERS qualifying events are:

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

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

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

# Geographic Distribution of the Population



## V. Confidentiality

All materials submitted in response to this RFP will become property of NDPERS and, upon receipt by NDPERS, are subject to the North Dakota open records law. If the bidder submits information in response to this RFP that it believes to be confidential financial, commercial, proprietary, or trade secret information, the bidder must:

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

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

**Appendix A: Response Template**

**1. Face Sheet**

**Name of Proposer's Firm:** \_\_\_\_\_

**Federal Tax I.D. Number:** \_\_\_\_\_

**Principal Place of Business:** \_\_\_\_\_

**Address:** \_\_\_\_\_

**City:** \_\_\_\_\_

**State and Zip:** \_\_\_\_\_

**Contact Person:** \_\_\_\_\_

**Title:** \_\_\_\_\_

**Telephone:** \_\_\_\_\_

**Fax:** \_\_\_\_\_

**E-mail address:** \_\_\_\_\_



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

#	Minimum Requirements	Response (Will Meet / Will Not Meet)
1	Bidder must be able to provide required coverages and services by January 1, 2024.	
2	Bidder must have all applicable licenses required by North Dakota or agree to obtain necessary licensure prior to the effective dates of coverage.	
3	Bidders must maintain compliance with all CMS requirements applicable to the Medicare Part D Prescription Drug Plan and EGWP+Wrap benefit.	
4	Proposals should match the existing plan design and member cost share.	
5	Premium and Administrative Fee Rates: Preliminary estimates for Medicare Part D EGWP+Wrap premiums (fully-insured proposals), administrative fees (self-insured proposals), CMS subsidies, and funding estimates (both fully-insured and self-insured) must be submitted to NDPERS no later than April 15 of the year preceding the contract renewal date	
6	Final renewals must be submitted to NDPERS no later than August 15 of the year preceding the contract renewal date	

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

**3. Affidavit of Non-collusion**

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

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

Responder's Firm Name: \_\_\_\_\_

Authorized Signature: \_\_\_\_\_

Date: \_\_\_\_\_

Subscribed and sworn to me this \_\_\_\_\_ day of \_\_\_\_\_

Notary Public: \_\_\_\_\_

My commission expires: \_\_\_\_\_

**4. Conflicts of interest list**

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


## 5. Compliance with Federal and State Laws Form

### **NDPERS — Federal and State Law Compliance Certification**

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
<p><b>Check all that apply:</b></p> <ul style="list-style-type: none"><li><input type="checkbox"/> The services to be performed under the anticipated contract as specified in our proposal will be performed ENTIRELY within the State of North Dakota.</li><li><input type="checkbox"/> The services to be performed under the anticipated contract as specified in our proposal entail work ENTIRELY within another state within the United States.</li><li><input type="checkbox"/> 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.</li><li><input type="checkbox"/> 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<ul style="list-style-type: none"><li>(1) the identity of the company (identify if subcontractor) performing services outside the United States;</li><li>(2) the location where services under the contract will be performed; and</li><li>(3) the percentage of work (in dollars) as compared to the whole that will be conducted in each identified foreign location.</li></ul></li></ul>

**CERTIFICATION**

<p>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.</p> <p>Name of Company: _____</p> <p>Authorized Signature: _____</p> <p>Printed Name: _____</p> <p>Title: _____</p> <p>Date: _____ Telephone Number: _____</p>
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## **Appendix B Medicare Part D EGWP+Wrap Questionnaire**

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

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

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

The questionnaire is broken down into the following categories:

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

## 1. Organizational Information

- 1.1 Please provide the legal name of the company that will be providing the pharmacy benefit management services in this contract.
- 1.2 Provide a brief description of your organization, including the length of time you have been in business, corporate structure, services provided, number of employees, and location of headquarters.
- 1.3 Please provide your year-end Part D membership for 2021 and 2022. Please provide your membership for "Group" and "Individual" separately. Please explain significant changes to membership.
- 1.4 How many prescription drug plan clients (plan sponsors) do you provide EGWP services to?
- 1.5 How many prescription drug plan clients (plan sponsors) that you provide EGWP services to are via an MAPD plan and how many are stand-alone PDPs?
- 1.6 How many EGWP clients do you serve with 9,000 or more Part D members?
- 1.7 Do you provide EGWP services to any State clients? If so, please name them.
- 1.8 How many government/public sector clients engage you to provide EGWP services?
- 1.9 Please provide the number of fully-insured and self-insured EGWP clients.
- 1.10 What percentage of your self-insured EGWP clients have "pass-through" financial contracts and how many have "spread/traditional" contracts?
- 1.11 Are the EGWP services proposed in this contract owned or subcontracted? If subcontracted, please identify the subcontractor, how long you have subcontracted services and the expiration date of the current agreement.
- 1.12 If you are proposing a fully-insured EGWP option, please name the risk-bearing entity responsible for the EGWP.
- 1.13 In addition to EGWP services, please identify any other services that are currently outsourced or subcontracted and the name of the vendor/partner.
- 1.14 Describe any acquisitions, mergers, or partnerships your organization has entered into in the last three (3) years or is planning to enter into during the term of this agreement.



- 1.15 You must be able to substantiate your financial stability. Provide a copy of your audited financial statement or other financial information. Include, at a minimum, a Balance Sheet and a Profit and Loss Statement, together with the name and address of the bank(s) with which you conduct business and the public accounting firm(s) that audit your financial statements. Other sufficient information may include a written statement from a financial institution confirming the creditworthiness and financial stability of the organization.
- 1.16 Please provide the most recent ratings from the following agencies, if applicable.

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

- 1.17 Please describe the accreditations you maintain (URAC, JCAHO, NCQA).
- 1.18 Please provide information regarding your latest internal controls and security audit, including a SOC 1, Type II and/or SOC 2, Type II report resulting from your most recent Statement on Standards for Attestation Engagements No. 22 (SSAE 23) audit.
- 1.19 Describe your privacy protection and data security standards as they relate to HIPAA and HITECH.
- 1.20 How do you maintain data security across your various worksites? How do you manage access and data security for employees that work offsite/virtually?
- 1.21 Do you maintain controls so that no single employee can use, change, or access protected data without authorization?
- 1.22 Describe certifications and other external audits. Describe the test criteria used to ensure the standards are met. Have you completed external ethical hacking tests, etc.?
- 1.23 Have you had any security breaches involving electronically protected health information or personal financial information? If so, what was the scope of the breach? Were disclosures made to affected individuals? What changes in

operations, if any, were implemented after the breach? Describe your capabilities to support the management of PHI data.

- 1.24 Do you have insurance to cover a breach or loss?
- 1.25 Are any of the services you are proposing to provide to NDPERS contracted outside the United States? If so, please describe any business services performed outside the United States and the financial impact, if any, of requiring those services to be provided within the United States.
- 1.26 Are there any major system enhancements or conversions planned or being considered within the next 24 months (specifically of interest are adjudication platform migrations or other services that may impact member or provider service or CMS adherence)?
- 1.27 Describe your business continuity and disaster recovery plans. Please be sure to address data security and file backup, claims processing, customer service centers, mail service, and specialty fulfillment operations.
- 1.28 The NDPERS Part D plan product is “bundled” with its medical supplement plan. The board may consider unbundling the product and offering the Part D plan and the supplement independently. Please discuss your perspective on this including but not limited to:
  - 1.28.1 Do you think this would increase the possibility of adverse selection in the future?
  - 1.28.2 If fully insured, would it affect your underwriting for future premium renewals?
  - 1.28.3 Do you have any direct experience with clients that have addressed this issue, and, if so, what was the outcome of those discussions?
- 1.29 Provide the following information on a maximum of three (3) of your EGWP clients for whom you provide services similar to those proposed in this proposal. References of similar size and scope to NDPERS are preferred. Also provide the following for two former governmental clients similar to NDPERS or larger, if possible.
  - 1.29.1 Name of employer sponsoring plan and location
  - 1.29.2 Type of services provided to plan sponsor
  - 1.29.3 Plan inception date
  - 1.29.4 Length of time as a client
  - 1.29.5 Number of contracts and members participating in the plan

- 1.29.6 Contact information (name, title, phone number, email address)
- 1.30 Include a description of your organization's short-term strategic initiatives and your long-term strategic business plan as it relates to retiree pharmacy benefits.
- 1.31 Describe how your organization differentiates itself from your competitors.
- 1.32 What makes your organization the best partner for NDPERS retirees? Do you have strategic advantages in North Dakota that make you a better choice for NDPERS than others?

## **2. EGWP Operations**

- 2.1 What was the CMS star rating for your PDP for 2019, 2020, 2021, 2022, and 2023?
- 2.2 Have you been sanctioned by CMS in the past 5 years? If yes, please explain.
- 2.3 Please describe the Part D enrollment process under your PDP.
- 2.4 How do you manage missing or incorrect information during enrollment? Do you provide a process by which a member can correct missing or incorrect information in an expedited way? Is there a time limit for corrections?
- 2.5 If a member's information does not match CMS records and you contact the member for updated information, please discuss if there is a process to share the updated information back to NDPERS for correction in the NDPERS system.
- 2.6 Please describe how you administer late enrollment penalties for Medicare Part D. Can you invoice members directly?
- 2.7 Please describe your Part D disenrollment process for both voluntary and involuntary disenrollments. What is the timing for enrollments/disenrollments to go into effect?
- 2.8 Can NDPERS choose not to effectuate the optional involuntary disenrollments (e.g., failed to pay a premium on a timely basis, disruptive behavior, etc.)?
- 2.9 Please confirm that you will manage member communications related to terminations required by CMS.
- 2.10 Please confirm that you will manage all CMS required pre-enrollment, post-enrollment, and renewal member communications.
- 2.11 Please confirm that Evidence of Coverage (EOC) and the Annual Notice of

Change (ANOC) will be available to members prior to open enrollment.

- 2.12 Describe your handling of members who are eligible for the low-income premium subsidy available under Medicare Part D, specifically:
  - 2.12.1 How are the members identified, and how are they informed of their enhanced benefits?
  - 2.12.2 Please describe if the low-income premium subsidies will be paid directly to members.
  - 2.12.3 Will you process low-income premium subsidy refunds to members, and low-income cost-sharing refund requests at no additional cost?
- 2.13 Describe your recommended billing and premium payment cycle.
- 2.14 Describe your handling of members who are subject to the late enrollment penalty under Medicare Part D, specifically:
  - 2.14.1 How are the members identified, and how are they informed of their penalty?
  - 2.14.2 Please describe how the late enrollment penalty will be collected directly from members.
  - 2.14.3 Will you process the collections at no additional cost?
  - 2.14.4 Outline your process for delinquent payments of the late enrollment penalty. Please describe your process for notifying the plan sponsor of members who are delinquent.
  - 2.14.5 How do you administer any reconsideration requests for members who are subject to the late enrollment penalty?
- 2.15 Please describe your ability to support NDPERS related to Income-Related Adjustment Amount (IRMAA) tracking and notifications (e.g., terminations, reinstatements)
- 2.16 Please describe how you work with CMS related to member risk scores.
  - 2.16.1 Describe the data reported to CMS.
  - 2.16.2 How do you track member risk scores?
  - 2.16.3 Do you reconcile member risk scores with CMS?

- 2.17 Describe your straddle claim process.
- 2.18 Describe your process and adherence to Prescription Drug Event (PDE) requirements with CMS.
- 2.19 What was your book-of-business PDE error rate in 2021 and 2022?
- 2.20 Describe your procedures to detect and prevent Fraud, Waste and Abuse (FWA) and ensure claims are paid accurately. Please outline such procedures and how you implement and monitor FWA in the plan operation.
- 2.21 Please confirm that you will manage all CMS required reporting requirements related to FWA compliance.
- 2.22 Please confirm that you will manage all CMS required reporting requirements related to medication therapy management (MTM).
- 2.23 Please confirm that you will manage all initial internal and external appeals compliant with CMS requirements.
- 2.24 Please confirm you will manage all grievances compliant with CMS requirements.
- 2.25 Please describe your process of reporting rebates consistent with CMS requirements.
- 2.26 Describe audit rights for EGWP plans. What types of audits will NDPERS be entitled to perform (e.g., financial guarantees, plan design, PDE reconciliation, subsidy payments, etc.)?
- 2.27 How is CMS compliance monitored on an ongoing basis? Please describe your remediation process associated with areas of non-compliance.
- 2.28 Describe the support that you give clients during CMS audits.

### **3. Clinical Management**

- 3.1 Describe your ability to provide and maintain a CMS compliant formulary program for NDPERS.
- 3.2 What is the name of the formulary proposed for NDPERS?
- 3.3 Does the tier structure of your proposed formulary align with the current tier structure of the NDPERS plan? If not, please describe.
- 3.4 Please provide a copy of your proposed Formulary including NDC, drug name, and formulary tier in Excel format.

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

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

their specialty medication?

- 3.29 Please describe any specialty patient assistance programs that are offered. Describe how you can maximize the value of these programs for the member and the plan.

#### **4. Pharmacy Network**

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



performed in retail or are the interventions the same?

- 4.14 Confirm you offer expedited delivery of mail order prescriptions and who is responsible for paying for the expedited service (the plan or the member).
- 4.15 Please provide the name of your primary expedited shipping vendor.
- 4.16 How many specialty pharmacies do you operate?
- 4.17 Are the specialty pharmacies owned or subcontracted?
- 4.18 Where are the specialty pharmacies located? Which specialty pharmacy would primarily service the NDPERS account?
- 4.19 North Dakota law restricts prescriptions from being required to be filled at a specialty pharmacy and must be permitted by plans to be filled at retail pharmacies within the State. Please confirm your proposal will be in compliance.
- 4.20 Please confirm your proposal includes an "open" specialty pharmacy network. If your proposed EGWP network is not an "open" specialty network, please describe how your specialty network does not limit access to Part D in such a manner that it contravenes convenient access protections.
- 4.21 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 the delivery process will not be the financial responsibility of NDPERS. How are these types of shipment errors reported to NDPERS?
- 4.22 What percentage of Limited Distribution Drugs commercially available do you have access to?
- 4.23 What is the process for procuring any limited distribution drugs that you currently do not have access to?
- 4.24 Do you have infusion services? Can you arrange for nurses or other assistance on behalf of the member?
- 4.25 Please provide a copy of your proposed specialty drug list including national drug code (NDC), drug name, and formulary tier in Excel format. Please include on the specialty drug list, or provide as a separate list, indicators for limited distribution drugs and include a separate indicator if you are an authorized distributor for that product.

## 5. Account Management

- 5.1 Provide an overview of how the NDPERS relationship will be managed, both strategically and on a day-to-day basis. Include an organizational chart. Please provide the names, titles, locations, telephone numbers, and email addresses of the representatives listed below. For the account service individuals listed, provide brief biographical information, such as years of service with your company, experience as it relates to this proposal, and the number of clients for which they perform similar services:
  - 5.1.1 The individual representing your company during the proposal process;
  - 5.1.2 The individuals on your proposed implementation team;
  - 5.1.3 The individual assigned to overall contract management;
  - 5.1.4 The individual or team members responsible for day-to-day account management and service;
  - 5.1.5 The individual or team members responsible for Part D compliance;
  - 5.1.6 The individual or team members responsible for clinical oversight;
  - 5.1.7 Executive sponsor assigned to NDPERS (as applicable)
- 5.2 Will you agree to let NDPERS switch account team members if NDPERS is dissatisfied with service or fit?
- 5.3 If desired, can NDPERS update and maintain eligibility and check employee claim status online? Are there charges for access to and use of these tools?
- 5.4 Confirm your ability to accept a weekly enrollment file from NDPERS. Please see Exhibit 6 for a sample of the file layout.
- 5.5 Do you have any restrictions to the eligibility file layouts that you can support?
- 5.6 What is the timeframe that the file will be processed and loaded?
- 5.7 What happens if a record on file is rejected via the load process? What is the process to reconcile a file load? How quickly is the report/reconciliation regarding the file load returned to the Plan?
- 5.8 Please describe how you handle manual eligibility updates and the turn-around/timing of such updates.
- 5.9 Please provide samples of standard utilization management reports that can be accessed by NDPERS via your portal.

- 5.10 Please describe the frequency of the reporting and the flexibility NDPERS will have in determining when they receive reports.
- 5.11 Please confirm that you will provide a monthly prescription drug file feed, at no cost, to an NDPERS specified vendor to integrate with medical claims and laboratory data.
- 5.12 If requested, please confirm you will provide complete pharmacy claims data to other authorized third parties at no cost.
- 5.13 Please provide a sample of a quarterly/semi-annual review.
- 5.14 Please provide a sample of your rebate reconciliation report.

## **6. Member Services**

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

accommodate individuals who have age-related deficiencies in perception and sensory limitations.

- 6.13 Does your customer service inquiry system allow representatives to record comments so other customer service representatives can view previous notes to assist members?
- 6.14 What is your first call resolution rate in the pharmacy call center?
- 6.15 How do you monitor customer service representatives for compliance and behavior? Do you record 100% of the calls?
- 6.16 Can a designated NDPERS representative listen to call recordings and receive call transcripts if requested?
- 6.17 Please describe the process associated with members who want to file a complaint about the behavior of a customer service representative. Please include how the complaint is made, resolved, and reported to NDPERS.
- 6.18 Do you provide single sign-on access to a link to third parties?
- 6.19 Please describe your member website and member portal that the NDPERS EGWP members would have access to.
  - 6.19.1 Can your website provide NDPERS-specific plan information?
  - 6.19.2 Does your website offer a pharmacy locator? Does the site offer information on retail stores that are open 24 hours/day?
  - 6.19.3 Can members see their prescription drug claim history on the website?
  - 6.19.4 Describe the web-enabled pricing comparison tools available to your members. Will the pricing tool account for NDPERS plan design?
  - 6.19.5 Does your web-enabled pricing comparison tool provide pricing detail by pharmacy?
- 6.20 Do you have a smart phone mobile application or a mobile-optimized website?
- 6.21 Does your mobile app and/or mobile enabled website include the following:
  - 6.21.1 Formulary information
  - 6.21.2 Network pharmacy lookup
  - 6.21.3 Plan design information
  - 6.21.4 Member ID card

- 6.21.5 Claims history
- 6.21.6 Family claims history
- 6.21.7 Drug price lookup by pharmacy
- 6.22 Are ID cards the sole means of determining member eligibility? If not, please describe.
- 6.23 Describe your Coordination of Benefits (COB) process for secondary claims processing/payment.
- 6.24 Please provide a sample member welcome packet.

## **7. Implementation**

- 7.1 Please confirm you can provide a CMS-compliant transition for NDPERS given the expected contract start date of January 1, 2024.
- 7.2 Please provide a Gantt chart of the implementation process to ensure a January 1, 2024 start date. Please outline in detail the specific activities and tasks necessary to implement the NDPERS program, as well as indicate any CMS requirements of a carrier transition. Be specific with regard to the following:
  - 7.2.1 Amount of total time needed to effectively implement the program, including benefit testing, etc.
  - 7.2.2 Activities/tasks and corresponding timing
  - 7.2.3 Responsible parties and amount of time dedicated to implementation, broken out by vendor, current vendor, and NDPERS staff
  - 7.2.4 Any transition activities required with incumbent carriers, including data transfers, and providing members adequate notice regarding current care or treatment plans at least 60 days prior to a change
  - 7.2.5 Length of time implementation team lead and members will be available to NDPERS
  - 7.2.6 Provide the data layouts that your organization would need for the various inputs during installation.
- 7.3 What files would you require from the legacy EGWP provider in order to transition the plan to your organization? If you are provided with prior pharmacy claims history, will you load open prior authorization files, specialty pharmacy claims histories, open mail order refills, and accumulator files to avoid member disruption? If yes, explain the recommended process to follow and data specifications for transfer of data.

- 7.4 Please describe how you will transition members that will be subject to formulary disruption (e.g., non-preferred/not covered drugs, prior authorization, step therapy, quantity limits).
- 7.5 Please confirm the customer service call center can be set up to go live on or before November 1, 2023, to be able to take calls and answer questions from NDPERS members related to benefits, formulary changes, enrollment, etc.
- 7.6 How much lead time is necessary for you to guarantee that ID cards will be received by members prior to the plan year effective date of January 1, 2024?
- 7.7 What is your member communication plan that you use for accounts? Provide a sample of similar communications used when transitioning an EGWP client from another carrier.
- 7.8 Can you provide training to NDPERS staff on EGWP administration and compliance?
- 7.9 Please confirm that you are in compliance with all relevant provisions of the Inflation Reduction Act for 2023 and 2024, including:
  - 7.9.1 Prescription Drug Inflation Rebates (effective 2023)
  - 7.9.2 Beneficiary cost sharing for a monthly supply of insulin capped at \$35 (effective 2023)
  - 7.9.3 Part D vaccines have a \$0 copay (effective 2023)
  - 7.9.4 Part D beneficiary premium growth capped at 6% annually (effective 2024)
  - 7.9.5 Low-Income Subsidy extended to enrollees up to 150% of Federal Poverty Level (FPL) (effective 2024)
  - 7.9.6 No beneficiary cost sharing in Catastrophic Phase. Liability shifted to plan (effective 2024)

## Appendix C

### **North Dakota Public Employees Retirement System Request for Proposals Medicare Part D EGWP+Wrap**

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

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

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

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

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

# North Dakota Public Employees Retirement System

## Request for Proposals

### Medicare Part D EGWP+Wrap

### Fully-Insured Proposal

YOUR COMPANY NAME: \_\_\_\_\_

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

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

\* Clearly explain what is incorporated into any adjustment factor (if applicable)

List all clinical management programs assumed to be included (e.g. step therapy, prior authorization, etc.)

Comments/Assumptions/Caveats



North Dakota Public Employees Retirement System

Request for Proposals

Medicare Part D EGWP+Wrap

Self-Insured Proposal

YOUR COMPANY NAME: \_\_\_\_\_

Self-insured EGWP

I. Guaranteed Ingredient Discounts	2024	Renewal 1	Renewal 2	Renewal 3	Renewal 4	Renewal 5
<b>30 Day Retail</b>						
Brand (A/WP - ___%)						
Generic (MAC & Non MAC - ___%)						
<b>90 Day Retail</b>						
Brand (A/WP - ___%)						
Generic (MAC & Non MAC - ___%)						
<b>Mail Order</b>						
Brand (A/WP - ___%)						
Generic (MAC & Non MAC - ___%)						
<b>Specialty (Retail &amp; Mail)</b>						
Guaranteed Overall Effective Discount						
II. Guaranteed Dispensing Fees (Per Paid Script)	2024	Renewal 1	Renewal 2	Renewal 3	Renewal 4	Renewal 5
<b>30 Day Retail</b>						
Brand						
Generic						
<b>90 Day Retail</b>						
Brand						
Generic						
<b>Mail Order</b>						
Brand						
Generic						
<b>Specialty (Retail &amp; Mail)</b>						
Guaranteed Overall Effective Discount						
III. Administrative Fees	2024	Renewal 1	Renewal 2	Renewal 3	Renewal 4	Renewal 5
<b>EGWP Administration Fee (PMPM)</b>						
IV. Guaranteed Minimum Manufacturer Derived Revenue	2024	Renewal 1	Renewal 2	Renewal 3	Renewal 4	Renewal 5
<b>30 Day Retail</b>						
Per Brand Script						
Estimated Annual Manufacturer Revenue Earned (Total)						
<b>90 Day Retail</b>						
Per Brand Script						
Estimated Annual Manufacturer Revenue Earned (Total)						
<b>Mail Order</b>						
Per Brand Script						
Estimated Annual Manufacturer Revenue Earned (Total)						
<b>Specialty (Retail &amp; Mail)</b>						
Per Brand Script						
Estimated Annual Manufacturer Revenue Earned (Total)						
V. Other Fees	2024	Renewal 1	Renewal 2	Renewal 3	Renewal 4	Renewal 5
Enrollment Management (including eligibility submissions, initial enrollment, age-in members)						
All required reporting to CMS						
Medicare required member communications						
Coordination of benefits between Part D and the Wrap plan						
CMS required Medication Therapy Management						
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						
Electronic prescribing (per claim basis)						
Administrative Prior Authorization (per PA basis)						
Clinical Prior Authorization (per PA basis)						
Custom Reporting Programming (per hour basis)						
Other (please list)						



**North Dakota Public Employees Retirement System**

**Request for Proposals**

**Medicare Part D EGWP+Wrap**

**Self-Insured Proposal**

YOUR COMPANY NAME: \_\_\_\_\_

Plan cost estimate for 2024

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

2024	Prescription Count	AWP	Ingredient Cost	Dispensing Fees	Rebates	Administration Fees	Estimated CMS Payments*	Total Cost
<b>30 Day Retail</b>								
Brand								
Generic								
Total	0	\$ -	\$ -	\$ -				
<b>90 Day Retail</b>								
Brand								
Generic								
Total	0	\$ -	\$ -	\$ -				
<b>Mail</b>								
Brand								
Generic								
Total	0	\$ -	\$ -	\$ -				
<b>Specialty</b>								
Total	0	\$ -	\$ -	\$ -				
<b>Limited Distribution Drugs</b>								
Total	0	\$ -	\$ -	\$ -				
<b>Excluded Claims</b>								
Total	0	\$ -	\$ -	\$ -				
<b>Total</b>	<b>0</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>		<b>\$ -</b>

\*Includes Direct Subsidy, Coverage Gap Discount Payments, Federal Reinsurance

# North Dakota Public Employees Retirement System

## Request for Proposals

### Medicare Part D EGWP+Wrap

### Fully-Insured & Self-Insured Proposals

YOUR COMPANY NAME: \_\_\_\_\_

#	Question	Required Response (Confirmed / Not)	Details / Explanation
1	Please confirm your proposal is based on the plan design included with this RFP and the proposal parameters		
2	Please confirm your proposal does not require any plan design changes to qualify for the terms in your offer (e.g., specific differential between preferred and non-preferred brands to qualify for rebates)		
3	Please confirm your self-insured proposal pricing is based on a 1-year contract with 5 renewal options		
4	Please confirm you will use Medi-Span as the sole source of AWP (excepting a change in the industry that would require a change)		
5	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		
6	Please confirm that Average Wholesale Price (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.		
7	Please confirm "Generic Drug" will be defined according to Medi-Span classification (Medi-Span Multisource Code field is a "Y" indicator)		
8	Please confirm "Brand Drug" will be defined according to Medi-Span classification (Medi-Span Multisource Code field is a "M", "N", or "O" indicator)		
9	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.		
10	Please confirm that rebates will be defined as all revenue received from pharmaceutical manufacturers, whether from the manufacturer directly, rebate aggregator, or other third party and will include all monies received as a result of the formulary utilization which includes but is not limited to rebates, manufacturer administration fees, inflation or price protection payments, and pro rata share of monies received for services provided to manufacturers that depends on the inclusion of NDPERS' claim utilization or data.		
11	Please confirm postage increases will not be passed on to NDPERS.		
12	Please confirm you have indicated on the specialty drug list which drugs have exclusive or Limited Distribution classification.		

13	Please confirm you have included limited distribution drugs in the specialty drug guarantees OR have provided separate discount and rebate guarantees for exclusive or limited distribution drugs.		
14	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's claim utilization or data.		
15	Please confirm that all revenue resulting from price protection / inflation protection contracts will be included in the 100% pass-through requested for NDPERS?		
16	Please confirm that manufacturer revenue collected as a result of utilization from biosimilars or limited distribution drugs will be paid to NDPERS.		
17	Please confirm that your rebate guarantees are not conditioned on utilization of Hepatitis C products.		
18	Please confirm that your rebate guarantees account for known patent expirations and the proposed guarantees will not be modified on the basis of patent expirations that can be reasonably known at the time of this proposal.		
19	Please confirm that OTC exclusions (to the extent applicable) are not applicable to insulin or diabetic supplies (such as test strips) for purposes of rebate guarantees.		
20	Please confirm that if changes are made to the safe harbor provision governing rebates is eliminated, or if other regulatory changes are implemented that impact the payment of manufacturer revenue to the plan sponsor, the contract resulting from this RFP may be re-opened		
21	Please confirm that for purposes of discount and rebate guarantees, all HIV medications will be included as "specialty"		
22	Please confirm that for purposes of discount and rebate guarantees, all transplant medications will be included as "specialty"		
23	Please confirm that rebate guarantees are not subject to aggregate day supply minimums and will be reconciled according to distribution channel		
24	Please confirm rebate guarantees will not include any funds collected through patient assistance programs.		
25	Please describe any requirements, terms, exclusions, or other caveats related to your rebate guarantee		
26	What percentage of all generics are included on your MAC list?		
27	Please confirm generic discount guarantees are inclusive of MAC and Non-MAC discounts		
28	Please confirm that the MAC list for mail order will be equivalent or lower price than the MAC list for retail claims.		
29	Please confirm that dispensing fees are assessed on paid claims only and not reversed or rejected claims		
30	Please confirm member cost share will always be the lowest of the U&C, MAC, AWP discount, or member cost share.		

31	Please confirm that any coupons used by members will be excluded from ingredient cost calculation		
32	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%		
33	Please confirm that guarantees will exclude all claims that adjudicate at U&C		
34	Please confirm there is no dispensing fee assessed for U&C claims		
35	In your extended supply retail networks (90-day network) are there different pricing provisions based on pharmacy (e.g. a subset of the pharmacies in the 90-day network receive "mail equivalent" pricing)? Please describe any differences that would be applicable to your pricing proposal.		
36	Please confirm that discount guarantees are not subject to aggregate day supply minimums and will be reconciled according to distribution channel		
37	Please confirm your proposal includes either a specialty drug list with drug level discounts or an overall effective specialty discount guarantee.		
38	How will newly introduced specialty drugs be included in the specialty drug discount guarantee? Will new specialty products automatically default to a minimum discount in the therapeutic class?		
39	Please describe how a claim with a DAW codes (0 through 9) are reconciled in your Brand/Generic discount guarantees.		
40	Please confirm the proposed discounts, dispensing fees, and rebates 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		
41	Please confirm that any shortfall determined during guarantee reconciliation will be paid to NDPERS on a dollar-for-dollar basis with no maximum limit of liability		
42	Describe your reconciliation process and timing (in terms of reconciling a manufacturer revenue guarantee against actual payments)		
43	Please confirm that pricing guarantee reconciliation will take place within 90 days of the close of the contract year (including discounts, dispensing fees, admin fees (as applicable), as well as a preliminary analysis of manufacturer revenue paid compared to 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))		
44	Do you collect point-of-sale (POS) price concessions from pharmacies or pay incentives to pharmacies connected to performance criteria? If so, please describe the performance measures tied to payments.		
45	Do you collect retroactive DIR fees or assess copay clawbacks from pharmacies in your network? If so, please describe the situations where these fees or clawbacks are assessed.		
46	If you collect Direct or Indirect Revenue (DIR) from pharmacies in the network, is that DIR passed through to NDPERS in a self-insured contract?		

**Appendix D**

**North Dakota Public Employees Retirement System  
Request for Proposals  
Medicare Part D EGWP+Wrap**

Please complete each of the tabs in this workbook. The exhibits must be submitted in the prescribed format. Bidders may provide supplemental information but may not deviate from utilizing the provided Excel worksheets.

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

- 1. EGWP Network Match
- 2. EGWP Network Access
- 3. EGWP Formulary Match

**North Dakota Public Employees Retirement System  
Request for Proposals  
Medicare Part D EGWP+Wrap**

**YOUR COMPANY NAME:** \_\_\_\_\_

Using the pharmacy ID number, please insert the pharmacy name and answer if the pharmacy is in your proposed broad national network (Y) or if it is out of network (N)

Unique ID #	Pharmacy NABP	Pharmacy NPI	Pharmacy Name	Pharmacy City	Pharmacy State	Pharmacy Zip	In Network (Y/N)	Notes (Closed, Not Found, etc.)
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## North Dakota Public Employees Retirement System

### Request for Proposals

#### Medicare Part D EGWP+Wrap

YOUR COMPANY NAME: \_\_\_\_\_

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.

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

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

## North Dakota Public Employees Retirement System

### Request for Proposals

#### Medicare Part D EGWP+Wrap

YOUR COMPANY NAME: \_\_\_\_\_

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

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

Unique ID #	NDC	Drug Product Label Name	Tier on Proposed Formulary (Tier as most recent update)	Comments
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## PRESCRIPTION BENEFIT MANAGEMENT SERVICES AGREEMENT

THIS PRESCRIPTION BENEFIT MANAGEMENT SERVICES AGREEMENT (hereinafter referred to as the "Agreement") is entered into this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, between \_\_\_\_\_ (hereinafter referred to as "PBM"), with principal offices at \_\_\_\_\_, and the State of North Dakota acting through its Public Employees Retirement System (NDPERS) ("the Plan Sponsor"), and North Dakota Public Employees Retirement System (NDPERS) ("the Plan Administrator"), with principal offices at 400 East Broadway Avenue, Suite 505, Bismarck, North Dakota 58501 (hereinafter referred to as "NDPERS"). [PBM to complete all "blanks" in paragraph, other than date]

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

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

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

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

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

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

## ARTICLE 1 - DEFINITIONS

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

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

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

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

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

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

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

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

**Benefit Effective Date or Medicare Part D Benefit Effective Date** – The term “Benefit Effective Date” or Medicare Part D Benefit Effective Date shall mean July 1, 2024, which is the date when NDPERS will begin receiving services for its Medicare Part D Members from PBM’s Medicare Part D Insurance Company.

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

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

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

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

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

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

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

**Claim Adjudication System** – The term “Claims Adjudication System” means PBM’s claims processing system.

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

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

**Compound Drug(s)** - The term “Compound Drug(s)” shall mean a drug that needs to be made by a pharmacist because it is not commercially available in the required form and strength. A Compound Drug must consist of two or more solid, semi-solid or liquid ingredients, at least one of which is a Covered Item. PBM is obligated to provide Pass-Through Pricing for every Compound Drug. PBM’s invoiced Ingredient

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**Pharmacy Network** – See Definition of “Participating Pharmacies.”

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

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

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

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

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

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

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

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

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



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

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

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

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

**State** – The “State” means the State of North Dakota.

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

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

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

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

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

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

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

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

2.1 NDPERS' Duty to Provide Member List. At least forty-five (45) days before NDPERS' Benefit Effective Date, NDPERS shall provide to PBM electronic files reflecting all Members as of that date (the "Member List"). NDPERS shall be solely and exclusively responsible for ensuring the accuracy of its Member List.

2.2 NDPERS' Duty to Provide Eligibility Changes in the Member List. NDPERS shall be solely and exclusively responsible for creating and providing Eligibility Files to PBM to update its Member List to reflect all additions and terminations ("Eligibility Changes"). For all eligible Members, NDPERS has determined that it wishes to update its Member List: once a week.

NDPERS' additions or deletions to a previously existing Eligibility File will be input and made operable by PBM within at least one (1) business day.

2.3 Information Required on Initial Member List, and For Eligibility Changes. NDPERS' Member List and Eligibility Changes shall contain the following minimum "information fields," each of which shall be incorporated into PBM's information system, and each of which shall be available to NDPERS via PBM's internet portal:

- a. Each Member's identification number and social security number when available
- b. Each Member's full name (last, first, and middle initial)
- c. Each Member's date of birth
- d. Each Member's address
- e. The date the Member became eligible for coverage (Member's Effective Date)
- f. The date the Member's eligibility for coverage under the Benefit Plan is terminated
- g. The Benefit Plan Design identification number
- h. Each Member's gender
- i. Each Member's Person Code(s)
- j. Each Member's Relationship Code(s)
- k. A coordination of benefits Code or Indicator (as primary or secondary) for each Member
- l. A Medicare Part D identifier (if relevant)
- m. An active/retiree identifier (if relevant)

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

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

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

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

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

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

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

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

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

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

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

- 3.1 Compliance with Laws, etc. PBM agrees to comply with all laws, rules, and policies, including those relating to nondiscrimination, accessibility, and civil rights. PBM agrees to timely file all required reports, make required payroll deductions, and timely pay all taxes and premiums owed, including sales and use taxes and unemployment compensation and workers' compensation premiums. PBM shall have and keep current at all times during the term of this Agreement all licenses and permits required by law.
- PBM is prohibited from boycotting Israel for the duration of this Contract. (See N.D.C.C § 54-44.4-15.) PBM represents that it does not and will not engage in a boycotting Israel during the term of this Contract. If STATE receives evidence that PBM boycotts Israel, STATE shall determine whether the company boycotts Israel. The foregoing does not apply to contracts with a total value of less than \$100,000 or if PBM has fewer than ten full-time employees.
- 3.2 Standards of Performance. PBM shall perform its obligations under this Agreement with care, skill, prudence, and diligence, and in accordance with the standards of conduct applicable to a fiduciary. PBM shall also disclose to NDPERS any activity, policy, or practice of which PBM is aware that presents a conflict of interest with the performance of its obligations hereunder. PBM represents and agrees that NDPERS is relying on PBM's expertise to ensure all PBM Services are rendered in accordance with applicable statutes and regulations.
- 3.3 Disaster Recovery Program. PBM shall establish and maintain a disaster recovery program consistent with industry practice and provide a copy of its disaster recovery program policies and procedures, if requested, to any party executing this Agreement and/or any government entity.
- 3.4 Provision of Basic Documents. PBM shall provide its latest SAS 70 report and any publicly available information on an annual basis, upon reasonable request by any party executing this Agreement and/or any government entity.
- 3.5 Indemnification. PBM agrees to defend, indemnify, and hold harmless the state of North Dakota, its agencies, officers and employees (State), from and against claims based on the vicarious liability of the State or its agents, but not against claims based on the State's contributory negligence, comparative and/or contributory negligence or fault, sole negligence, or intentional misconduct. The legal defense provided by PBM to the State under this provision must be free of any conflicts of interest, even if retention of separate legal counsel for the State is necessary. Any attorney appointed to represent the State must first qualify as and be appointed by the North Dakota Attorney General as a Special Assistant Attorney General as required under N.D.C.C. § 54-12-08. PBM also agrees to reimburse the State for all costs, expenses and attorneys' fees incurred if the State prevails in an action against PBM in establishing and litigating the indemnification coverage provided herein. This obligation shall continue after the termination of this agreement.
- 3.6 Insurance. PBM shall secure and keep in force during the term of this Agreement, from insurance companies, government self-insurance pools or government self-retention funds, authorized to do business in North Dakota, the following insurance coverage:
- a. Commercial general liability, including premises or operations, contractual, and products or completed operations coverages (if applicable), with minimum liability limits of \$2,000,000 per occurrence.
  - b. Automobile liability, including Owned (if any), Hired, and Non-Owned automobiles, with minimum liability limits of \$500,000 per person and \$2,000,000 per occurrence.
  - c. Workers compensation coverage meeting all statutory requirements. The policy shall provide coverage for all states of operation that apply to the performance of this contract.

- d. Employer's liability or "stop gap" insurance of not less than \$2,000,000 as an endorsement on the workers compensation or commercial general liability insurance.
- e. Professional errors and omissions with minimum limits of \$1,000,000 per claim and in the aggregate, PBM shall continuously maintain such coverage during the contact period and for three years thereafter. In the event of a change or cancellation of coverage, PBM shall purchase an extended reporting period to meet the time periods required in this section.

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

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

### 3.7 PBM Provision of Services to NDPERS.

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

c. Claims Processing, Retail Pharmacy Contracting, and Other Basic Services. PBM shall be solely responsible for all PBM Services detailed in this Agreement including the following:

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

d. Retail, Mail Order Pharmacy and Specialty Drug Pharmacy. PBM represents and agrees that PBM currently includes \_\_\_ retail pharmacies in its national Pharmacy Network. PBM also represents that having reviewed NDPERS' Claims data, PBM currently includes \_\_\_ retail pharmacies in PBM's Pharmacy Network in NDPERS' region (defined as the State of North Dakota), and PBM binds itself to maintain \_\_\_ retail pharmacies in said Network throughout the duration of this Agreement. *[PBM to fill in all "blanks" above and below]*

PBM agrees to use \_\_\_\_\_ as the Mail Order Pharmacy for NDPERS, as further described in the definition of Mail Order Pharmacy. PBM also agrees to use \_\_\_\_\_ as the Specialty Drug Pharmacy for NDPERS, as further described in the definition of Specialty Drug Pharmacy.

e. Programs. Subject to Medicare Part D requirements for the EGWP Program, if NDPERS selects any Program for implementation, PBM will implement said Program based on the protocols agreed to by NDPERS in writing. In connection with any and every Program that PBM implements, the following general terms shall control:

1. Program Protocols and Program Changes. NDPERS may determine which Programs it wants to implement and identify specific protocols for each Program. All such protocols will be memorialized in writing.

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

compensate NDPERS as more fully described in Exhibit D, PBM's payment shall be made within thirty (30) days of the Parties' resolution of the issue.

3.8 General Responsibilities In Connection With Medicare Part D Plans. PBM's Medicare Part D Insurance Company will be contractually responsible for satisfying all matters related to NDPERS EGWP Plan. NDPERS acknowledges that this Agreement summarizes the services offered by PBM's Medicare Part D Insurance Company and that the provision of EGWP services will be governed by the agreements entered into between NDPERS and said Medicare Part D Insurance Company. The Parties represent and agree that PBM will be contractually responsible for coordinating all matters related to NDPERS supplemental Wrap Plan.

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



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

1. DIR
  2. Coverage Gap Manufacturer Discounts
  3. Catastrophic CMS Reinsurance
  4. LIPs
  5. LICs
- iv. Net Claims Costs (or underlying fully-insured Premium net costs)
  - v. Administrative Fees (for self-insured EGWP)
  - vi. Profit Margin
  - vii. Plan Beneficiaries (per month)
- m. NDPERS may request that each of the above line items will be provided (i) based on the total dollar cost; and/or (ii) based on the PMPM cost.
  - n. NDPERS may also request that cost information be subdivided between (i) the Covered Items provided under the EGWP Plan that was covered by CMS under Medicare Part D; and (ii) the Bonus Drugs covered by NDPERS under its supplemental WRAP Plan.
  - o. The Parties understand and agree that NDPERS may rely on the cost analysis to:
    - i. understand NDPERS' costs;
    - ii. to make modifications to its Medicare Part D Plan;
    - iii. to determine a reasonable Premium for a fully-insured EGWP for the following Medicare Part D Contract Year and/or
    - iv. to audit PBM's compliance with its pass-through obligations and all other terms of this Agreement and the agreements executed in connection with its Medicare Part D Plan. Accordingly, PBM represents and agrees that it will provide accurate cost analysis information, and all projections will be provided in good faith.

3.9 Implementation Services. PBM shall provide the following implementation services for NDPERS, without limitation:

- p. As soon as is feasible for PBM and NDPERS, PBM and NDPERS shall meet or confer to finalize an agreed-upon transition plan and implementation schedule.
- q. Perform all tasks necessary to upload eligibility data, and timely "test" the upload as required by the agreed-upon implementation schedule.
- r. Perform all tasks necessary to upload NDPERS' Benefit Plan Design, and timely "test" the upload as required by the agreed-upon implementation schedule.
- s. Review PBM's Formulary, Medicare Part D Formulary, and Supplemental Formulary.
- t. Review with NDPERS its proposed Programs; assist NDPERS in determining to what extent it wishes to implement its existing Programs or add new Programs; memorialize in writing all protocols for all Programs; and timely "test" the Program upload as stated in the agreed-upon implementation schedule.

- u. Develop comprehensive reporting capability on Prior Authorization activities to include the following:
  1. Turn-around-time
  2. Number of total approvals
  3. Number of total denials
  4. Number of requests pending to NDPERS
  5. Number of requests cancelled by PBM
  6. Number of Prior Authorization requests by drug, drug class, or therapeutic category
- v. Perform all tasks necessary to provide on-line access for Members.
- w. Prepare to provide quarterly EOB Statements, automatically, to Members in a form to be reviewed by NDPERS.
- x. Perform all tasks necessary to enable NDPERS to generate reports using its on-line access, with access to all Claim data elements.
- y. Perform all tasks necessary to generate any customized reports identified in this Agreement.
- z. Prepare and finalize the on-line and mobile access to be used by NDPERS, as well as the on-line and mobile Formularies that Members can access and ensure that all matters on the website accurately reflect all matters relevant to NDPERS.
- aa. Provide training for PBM's online portal usage to NDPERS.
- bb. Provide Member ID cards for approval by NDPERS, and timely print and distribute all ID cards, as required by the agreed-upon implementation schedule.
- cc. Train and ready a sufficient number of Customer Call Service Center representatives to ensure they are knowledgeable about all matters related to NDPERS, as required by the agreed-upon implementation schedule.
- dd. Load detailed Member Claim history in all instances where data is available from the incumbent vendor, including without limitation, Member history related to: Step Therapy, Prior Authorization, quantity limits and drug utilization review.
- ee. Ensure that all Members then undergoing drug treatment for any therapeutic condition be transitioned without disruption in drug therapy or Program involvement, provided the data identified in subparagraph "o" has been made available to PBM.

3.10 NDPERS' Access to and Use of PBM's Computer Systems through an online portal. NDPERS will have access to PBM's computer systems via an online portal, in accordance with PBM's policies and procedures to maintain the confidentiality of such systems, for the following purposes: (a) adding, updating or terminating eligibility; (b) generating overrides, as further detailed in this Agreement or as agreed upon by the Parties; (c) generating Standard Reports, as further detailed in this Agreement or as agreed upon by the Parties. The on-site "screen" information provided by PBM to NDPERS shall be identical to the "screen" information and access available to PBM and shall include at least the following: an eligibility screen, Prior Authorization screen, claims view screen, pricing screens and such other screens that are needed and identified by NDPERS. PBM shall provide assistance and training to NDPERS concerning use of its on-line access as needed. NDPERS acknowledges that PBM's computer systems are proprietary and agrees to maintain the systems in complete confidentiality and to access said systems with appropriate security in place.

### 3.11 Claims Data

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

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

### 3.12 Standard Reports.

- a. General Terms. PBM shall provide the standard reports identified through PBM's online portal. The Parties agree that the specific layout for these reports will be mutually agreed to during implementation. PBM agrees to provide to NDPERS any standard reports that it provides to other clients and that NDPERS may view as useful or necessary to monitor its prescription drug benefit. All standard reports will be provided at no extra Additional Fee.
- b. Ability of NDPERS to Obtain and Prepare Reports Via Online Portal. PBM represents and agrees that its online portal will enable NDPERS to have access to self-service reporting software and all Claim data fields. Said access will enable NDPERS to analyze Claims data in a [near] real-time environment, with Claims data available for analysis \_\_\_\_\_ *[PBM to state when Claims data becomes available, e.g.: immediately after Claim has been adjudicated, the day following any Claims processing by PBM, etc.]* In addition to the standard reports, PBM represents and agrees that the above-referenced access will enable NDPERS to generate reports concerning numerous matters without consultation with PBM, including but not limited to the following:
  1. **Enrollment, Termination and Disenrollment Report:** A report sortable by Member, Plan, etc.
  2. **Prior Authorization Report:** A report related to Prior Authorizations, sortable by Prior Authorizations, or by Covered Item, or by Member
  3. **Utilization Report:** A report related to the utilization of Covered Items, sortable by Covered Item, therapeutic class, cost, Member
  4. **Member Claims Report:** A report related to Member Claims history, sortable by Covered Item, prescriber, pharmacy, and therapeutic class
- c. Timing of Online Portal Access to Standard Reports. PBM agrees that standard reports shall be available on the online portal based on the specified time frame (monthly, quarterly or annually), and also capable of being run on demand by NDPERS at any time thereafter for an alternative time period. In the event NDPERS requests that standard reports be posted to

a secure FTP website, said reports will be provided no later than ten (10) business days after the end of each month for monthly reports and fifteen (15) business days after the close of the identified period for quarterly or annual reports.

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

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

## ARTICLE 4 – PBM’s INVOICE REQUIREMENTS AND NDPERS’ PAYMENT OBLIGATIONS

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

All Invoice Statements shall be transmitted to NDPERS within three (3) days of the period specified below. PBM will submit invoices to NDPERS at the following address: PO Box 1657, Bismarck, North Dakota 58502-1657.

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



#### 4.2 Administrative Fees.

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

#### 4.3 Additional Fees.

- a. Amount of Additional Fees. Commencing at the end of the first month after NDPERS' Benefit Effective Date, and to be paid at the end of each month thereafter, NDPERS shall pay to PBM any Additional Fees incurred during the previous month as described in Exhibit A.
- b. Limit on Additional Fees. PBM represents and agrees that the Additional Fees listed in Exhibit A constitute the only Additional Fees that PBM shall seek during the initial two years of this Agreement. PBM further represents and agrees that PBM's agreed-upon Administrative Fees and profits constitute sufficient compensation to PBM for its administrative overhead and profits during this period, and no further Additional Fees shall be requested.

4.4 NDPERS' Payment Obligations in Connection with Disputed Amounts. The Parties agree that NDPERS shall be entitled to review Claims data and question any invoiced amounts – or Financial Benefit credits provided – in any Invoice Statement.

4.5 Failure to Question Invoices Does Not Constitute Waiver. Notwithstanding the provisions of Section 4.4, NDPERS shall not be obligated to raise any questions concerning any Invoice Statement, and NDPERS shall not waive its future right to do so, should NDPERS fail to transmit questions to PBM after receipt of an Invoice Statement.

## ARTICLE 5 – FORMULARY OBLIGATIONS AND RIGHTS

- 5.1 Selection of Formulary. NDPERS may use PBM's standard formulary or customize its own formulary subject to Medicare Part D requirements. NDPERS understands and agrees that if NDPERS chooses to use PBM's standard formulary, NDPERS may not change said formulary. However, if NDPERS customizes its formulary, NDPERS shall have sole discretion how to do so, subject to PBM's right to request and obtain changes to Financial Guarantees.

If NDPERS wishes to consider customization of its Formulary for its Members, or implements a customized Formulary, PBM agrees to provide the following information to NDPERS: (a) the safety and efficacy of any identified Covered Items; (b) the net drug cost of any identified Covered Items, factoring in potential Financial Benefits that might be passed through; and (c) a disruption analysis for NDPERS to assess the likely impact of using PBM's standard formulary or customizing PBM's standard formulary, or implementing changes to its customized Formulary.

- 5.2 Change in Formulary. Unless otherwise agreed between PBM and NDPERS, NDPERS shall have the right each Contract Year to alter its selection of its Formulary. If NDPERS creates its own customized Formulary, NDPERS may alter its customized Formulary monthly. PBM agrees to provide requested information to NDPERS to enable NDPERS to change its customized Formulary, as requested by NDPERS.

## ARTICLE 6 – AUDIT OBLIGATIONS AND RIGHTS

6.1 Audits on Behalf of NDPERS. NDPERS and PBM agree that NDPERS shall have the right to conduct audits via its own internal auditor or a third-party auditor.

a. NDPERS will be entitled to conduct an audit to ascertain whether PBM has complied with the terms of this Agreement, including those provisions concerning:

1. Set-Up Audit. NDPERS will be entitled to conduct a Set-Up Audit for purposes of verifying that NDPERS' Benefit Plan Designs were properly input as of each date by PBM. NDPERS (or its auditor) may conduct a set-up Audit to verify, among other matters, that its Benefit Plan Design, and every Program and Program protocol, has been accurately loaded into PBM's computer systems. In the event subsequent changes by PBM are necessary to NDPERS' Benefit Plan Design or Program set-up, NDPERS (or its auditor) will be entitled to conduct an additional set-up Audit on reasonable notice after PBM makes requested necessary changes. Notwithstanding NDPERS' right to conduct a set-up Audit, should PBM later be discovered to have improperly input NDPERS' Benefit Plan Design or Programs, PBM shall be liable for any costs resulting from PBM's error, as further described in this Agreement.
2. Pass-Through Pricing Audit. If requested to conduct a Pass-Through Pricing Audit, NDPERS (or its auditor) shall be permitted to make a selection of retail pharmacy, Mail Order Pharmacy and Specialty Pharmacy Dispensed Claim transactions, as determined in NDPERS' discretion. In the event that any discrepancies are found, NDPERS (or its auditor) shall work with PBM to develop a plan to extend the selection. In the event that the parties are not able to agree on such a process, or the parties agree to such an extension and additional discrepancies are found, the parties agree that NDPERS (and its auditor) shall have the right to extrapolate from the results of the initial sample or the extended sample to determine the estimated total error and the amount owed to NDPERS as a result of the findings .

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

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

payments or credits or discounts (or other Financial Benefits) made to PBM, including remittance statements. All such documents shall be produced by PBM solely at PBM's offices. NDPERS (or its auditor) may make notes of the contents of all referenced documents, however, neither NDPERS nor its auditor will be permitted to make a copy of any such documents.

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

6.2 General Terms Related To Who May Audit, and How Audits Will Be Conducted. The following individuals and/or entities may conduct Audits related to this Agreement, based on the following general guidelines:

- a. NDPERS shall have the right to use its own auditor or select any audit firm, as long as NDPERS' auditor shall not be an individual or entity that is: a competitor of PBM, a Pharmaceutical Manufacturer representative, or any retail, mail, or specialty drug pharmacy representative or vendor.
- b. All Audits conducted by NDPERS (or any auditors retained by NDPERS) shall be made during normal business hours. All Audits shall be conducted without undue interference to the audited Party's business activity, and in accordance with reasonable audit practices.
- c. NDPERS (or its auditors) shall be entitled to commence an Audit within thirty (30) days after NDPERS has provided written notice to PBM of its intention to conduct an Audit. PBM shall be obligated to provide all electronic data identified in Article 6 to NDPERS (or its auditor) within thirty (30) days of PBM's receipt of said notice. PBM shall be obligated to provide – or make available at its offices – as specified herein, all other documents and data identified in Article 6 no later than forty-five (45) days after PBM's receipt of said notice.
- d. With respect to all data and documents produced by PBM to NDPERS or to its agents or auditors, PBM's production shall be made without redacting or altering any information from the data and documents produced. When electronic data is produced by PBM, all fields created or maintained or used by PBM shall be produced, and none shall be withheld, redacted or deleted. In addition, appropriate manuals and/or guides identifying the meaning of each field shall be produced.
- e. As requested for an Audit, PBM shall provide to NDPERS (or its auditor) an electronic data file reflecting all Claims transactions for NDPERS for the specified Audit period. Said electronic file shall include (i) PBM's invoiced costs for NDPERS for each item dispensed from a retail pharmacy and the Mail Order Pharmacy and the Specialty Drug Pharmacy, and (ii) PBM's reimbursement costs to each pharmacy for each such item. Claims data shall be produced in one of the following formats: Access, fixed-length flat file or delimited flat file. Any data submitted in flat file format must either have a data layout attached, or the first line of the file must contain field names. File formats must remain constant from submission to submission, unless additional fields need to be added. PBM shall transmit all such electronic data to NDPERS or to its auditor, or to both, as directed by NDPERS.
- f. In the event any questions are raised, or any additional requests for information or documents or data are requested, by NDPERS (or its auditor) during any Audit, PBM shall be obligated to respond to all such questions, and produce all additional information, documents and/or data within seven (7) business days of receipt of such questions or requests. If PBM cannot respond in said time period, PBM shall provide a written statement as to when PBM will respond, but in any event, PBM's response must be no later than twenty (20) days after receiving NDPERS' (or its auditor's) written request.
- g. In the event that an Audit concludes that PBM has violated its obligations or the terms of this Agreement, and PBM disputes said Audit findings, PBM must set forth the basis for its dispute, with all supporting documentation, within thirty (30) days of PBM's receipt of the disputed Audit findings. PBM shall provide sufficient documentation to permit adequate review of the disputed issues and shall have the burden of demonstrating that NDPERS' (or its auditor's) conclusions are incorrect. To the extent PBM fails to provide documentation substantiating any part of its position, or fails to meet its burden of proof, PBM shall waive its right to further dispute that matter. After receiving PBM's documentation, NDPERS (or its auditor) shall review said documentation and advise PBM whether NDPERS has changed

its Audit findings or conclusions. If the Parties do not resolve a dispute over Audit findings within sixty (60) days of PBM's receipt of the disputed Audit findings, NDPERS may terminate the Agreement as set forth in the Agreement.

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

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

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

## ARTICLE 7 - CONFIDENTIALITY

- 7.1 Confidentiality of Information. PBM and NDPERS shall maintain the confidentiality of all Claims data and eligibility information to the full extent required by applicable law, including without limitation the provisions of the Health Insurance Portability and Accountability Act of 1996 (hereinafter, "HIPAA"), and may not use or disclose the information in any way prohibited by this Agreement or the law.
- 7.2 Treatment of Confidential Information NDPERS and PBM agree that all participation by NDPERS Members and their dependents in programs administered by NDPERS is confidential under North Dakota law. PBM may request and NDPERS shall provide directly to PBM upon such request, confidential information necessary for PBM to provide the services described in Article 3. PBM shall keep confidential all NDPERS information obtained in the course of delivering services. Failure of PBM to maintain the confidentiality of such information may be considered a material breach of the Agreement and may constitute the basis for additional civil and criminal penalties under North Dakota law. PBM shall not disclose any individual employee or dependent information without the prior written consent of the employee or family member. PBM has exclusive control over the direction and guidance of the persons rendering services under this Agreement.
- PBM understands that, except for disclosures prohibited in this Agreement, NDPERS must disclose to the public upon request any records it receives from PBM. PBM further understands that any records that are obtained or generated by PBM under this contract, except for records that are confidential under this Agreement, may, under certain circumstances, be open to the public upon request under the North Dakota open records law. PBM agrees to contact NDPERS immediately upon receiving a request for information under the open records law and to comply with NDPERS' instructions on how to respond to the request.
- 7.3 Protected Health Information. NDPERS and PBM will have access to Protected Health Information (PHI) (as defined by HIPAA). Each party agrees, for itself and all of its officers, directors, management, employees, and any third parties it employs or with which it consults, that PHI shall not be used for any impermissible purpose, including, without limitation, the use of PHI for disciplinary or discriminatory purposes, and any user names and passwords assigned to designated individuals shall not be shared with non-designated individuals. Each Party, for itself and all of the above-identified agents, authorizes the other Party to use and share PHI as necessary to carry out its obligations in this Agreement, subject to each Party's obligation to fulfill all confidentiality requirements of HIPAA and all other applicable law.
- 7.4 HIPAA Compliance. NDPERS and PBM will comply with HIPAA and all applicable regulations published pursuant to HIPAA, as of the effective enforcement date of each standard. In addition, without limiting any other provision of this Agreement:
- a. All services provided by PBM under this Agreement will be provided in such a manner as to enable every other Party to remain at all times in compliance with all HIPAA regulations applicable to the other Party to the extent that the other Party's compliance depends upon the manner in which such services are performed by PBM; and
  - b. All software, application programs and other products licensed or supplied by PBM under this Agreement will contain such characteristics and functionality (including as applicable, but not limited to, the ability to accept and securely transmit data using the standard HIPAA transaction sets) as necessary to ensure that each Party's use of such software, application programs and other products and associate documentation from PBM, when utilized by any Party in the manner directed by PBM, will fully comply with the HIPAA regulations.
- 7.5 Ownership of Information. All Claims data and other data arising from implementation of this Agreement shall solely be the property of NDPERS pursuant to N.D.C.C. § 54-52.1-12. PBM shall not be allowed to sell such data in any form, to any third party. Upon termination of this Agreement,

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



## ARTICLE 8 – TERM AND TERMINATION

- 8.1 Term of this Agreement. This Agreement shall become effective as of the execution of the Agreement by PBM and NDPERS. This Agreement shall remain in effect for a term of one Contract Year from the Benefit Effective Date of January 1, 2024, unless terminated by the Parties as described herein. NDPERS may terminate this Agreement, with or without cause, with written notice at least ninety (90) days prior to the termination date.
- 8.2 Termination of this Agreement due to NDPERS' Non-Payment. In the event NDPERS fails to timely pay PBM the full amounts owed as set forth in Article 4, PBM may issue a written Notification of Non-Payment informing NDPERS that (i) it is in material breach of the terms of this Agreement; and (ii) NDPERS will have thirty (30) days to cure its breach. Should NDPERS fail to comply with the above requirement, PBM shall be entitled to cease all PBM Services thirty (30) days after NDPERS receives PBM's Notification of Non-Payment. During the above-referenced period when NDPERS is in breach of its obligations to pay non-disputed amounts, PBM agrees to continue to provide PBM Services to NDPERS and its Members. However, PBM may set off any amounts owed for Financial Benefit Guarantees or to compensate PBM during that period for those undisputed amounts that have not been paid. In the event that NDPERS makes payment on or before the referenced thirty (30) day period, to be entitled to continue to receive PBM Services NDPERS must make payment for all amounts owed, less any amounts that PBM has previously set off. In the event that NDPERS fails to make full payment of all amounts owed as of the end of the thirty (30) day period, PBM shall be allowed to cut off all PBM Services to NDPERS, and PBM shall provide NDPERS with a Notice identifying the full amounts owed, less any amounts that PBM has previously set off. PBM shall also be entitled to continue to collect and retain all Financial Benefits until PBM has collected the amounts still owed, after which any additional Financial Benefits that PBM collects that represent NDPERS' Pro Rata Share of Financial Benefits must be passed through by PBM to NDPERS.
- 8.3 Termination by Mutual Agreement or with Notice. This Contract may be terminated at any time by mutual consent of both parties executed in writing, or by either party with ninety (90) days' notice.
- 8.4 Termination for Lack of Funding or Authority. NDPERS by written notice to PBM, may terminate the whole or any part of this Contract under any of the following conditions: 1) If funding from federal, state, or other sources is not obtained and continued at levels sufficient to allow for purchase of the services or supplies in the indicated quantities or term. 2) If federal or state laws or rules are modified or interpreted in a way that the services are no longer allowable or appropriate for purchase under this Contract or are no longer eligible for the funding proposed for payments authorized by this Contract. 3) If any license, permit, or certificate required by law or rule, or by the terms of this Contract, is for any reason denied, revoked, suspended, or not renewed. Termination of this Contract under this subsection is without prejudice to any obligations or liabilities of either party already accrued prior to termination.
- 8.5 Effect of Termination. Termination shall have no effect upon the rights and obligations of the Parties arising out of any transactions occurring prior to the effective date of such termination. Upon termination: (i) all further obligations of the Parties under this Agreement shall terminate as of the termination date (except as provided in this Agreement); (ii) all Confidential Information provided by any Party (except for Confidential Information required by any law, or by a contractual relationship to be retained by a Party) shall be immediately returned to a requesting Party, or the Party from whom information is requested shall certify to the requesting Party that all requested materials have been destroyed; (iii) no Party shall be relieved of any obligation or liability arising from any prior breach by such Party of any provision of this Agreement; and (iv) the Parties shall, in all events, remain bound by and continue to be subject to the provisions set forth in this Agreement, to the extent necessary to satisfy this Agreement's terms.
- 8.6 PBM's Agreements Concerning Documents, Data and Information, Should This Agreement Be Terminated. PBM hereby agrees to provide, without delay, but in any event no later than thirty days

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

## ARTICLE 9 – RIGHT TO IMPLEMENT PLAN MANAGEMENT PROGRAMS

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

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

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

## ARTICLE 10 – MISCELLANEOUS ADDITIONAL PROVISIONS

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

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

- 10.8 Prior Agreements Invalid. As of the execution date of this Agreement, this Agreement replaces and supersedes all other prior Agreements between the parties executing this Agreement, as well as any other prior written or oral understandings, negotiations, discussions or arrangements between those parties, related to matters covered by this Agreement or the documents incorporated herein.

- 10.9 Entire Agreement. PBM agrees to provide the service(s) as specified in the 2023 RFP and proposal (attached hereto and incorporated by reference Exhibit A). The provisions of this Agreement, including all the Exhibits attached hereto, shall bind and inure to the benefit of the identified Parties executing this Agreement, and to their heirs, legal representatives, permitted successors and permitted assignees. Notwithstanding anything herein to the contrary, in the event of any inconsistency or conflict among the documents making up this Agreement, the documents must control in this order of precedence:
- a. Bidder's Proposal for 2024
  - b. Bidder's written responses provided as part of the Request for Proposal;
  - c. The terms of this Agreement.
- 10.10 Counterparts. This Agreement may be executed in one or more counterparts, all of which shall be considered one and the same Agreement and shall become effective when one or more counterparts have been signed by each of the necessary Parties and delivered to the other necessary signing Parties, it being understood that each Party need not sign the same counterpart. The failure to deliver the original signature copy and/or the non-receipt of the original signature copy shall have no effect upon the binding and enforceable nature of this Agreement.
- 10.11 Representations. Each Party signing this Agreement represents and warrants that he or she (i) has read this Agreement and fully understands and agrees to the content herein; (ii) has entered into this Agreement voluntarily; (iii) has not transferred or assigned or otherwise conveyed in any manner or form any of the rights, obligations or claims which are the subject matter of this Agreement; and (iv) has the full power and authority to execute this Agreement. This Agreement is not binding unless executed by all signatories identified in this Agreement.

**Signature Page**

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

**PBM:** \_\_\_\_\_

By:                      Date:

Name and Title: \_\_\_\_\_

**North      Dakota      Public      Employees      Retirement      System      (Plan      Sponsor):**

\_\_\_\_\_

By:                      Date:

Name and Title: \_\_\_\_\_

**EXHIBIT A**

**PRESCRIPTION DRUG PRICING AND GUARANTEES**

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

<b>I. Average Annual AWP Discounts – Minimum Guarantees</b>	<b>1/1/2024</b>
<b>30 Day Retail</b>	
Brand (AWP - __%)	
Generic (MAC & Non MAC - __%)	
<b>90 Day Retail</b>	
Brand (AWP - __%)	
Generic (MAC & Non MAC - __%)	
<b>Mail Order</b>	
Brand (AWP - __%)	
Generic (MAC & Non MAC - __%)	
<b>Specialty</b>	

Guaranteed Overall Effective Discount	
<b>Limited Distribution Drugs</b>	
Guaranteed Overall Effective Discount	
<b>II. Average Annual Dispensing Fees – Maximum Guarantees</b>	<b>1/1/2024</b>
<b>30 Day Retail</b>	
Brand	
Generic	
<b>90 Day Retail</b>	
Brand	
Generic	
<b>Mail Order</b>	
Brand	
Generic	
<b>Specialty</b>	
Brand	
Generic	
<b>Limited Distribution Drugs</b>	
Brand	
Generic	
<b>III. Fixed Monthly Administrative Fees</b>	<b>1/1/2024</b>
EGWP Administrative Fee <i>(insert basis here e.g. PEPM, PMPM, Per Rx)</i>	
<b>IV. Financial Benefits – Minimum Per Brand Claim Guarantees</b>	<b>1/1/2024</b>
Per Brand Prescription - 30 Day Retail	
Per Brand Prescription - 90 Day Retail	
Per Brand Prescription - Mail	
Per Brand Prescription - Specialty Excluding Limited Distribution Drugs	
Per Brand Prescription - Specialty Limited Distribution Drugs	
<b>V. Other Fees</b>	<b>1/1/2024</b>
Intake and load claim history files, prior authorization files, open mail order refill files, accumulator files during implementation	
Ongoing file feed transmission to 3rd party (consultant, data warehouse, wellness and/or disease management, accumulators, stop loss)	
Paper Claim Processing (per claim basis)	
Electronic prescribing (per claim basis)	
Administrative Prior Authorization (per authorization basis)	
Clinical Prior Authorization (per authorization basis)	
Nursing Charges (per visit (if applicable))	
Online Reporting Platform Access (per user basis)	
Custom Reporting Programming (per hour basis)	
Replacement of ID Card	
Other <i>(insert rows and list additional fees)</i>	



VI. Optional Clinical Programs	1/1/2024
<i>(insert program name)</i>	

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

- e. PBM's Payment for Failure to Satisfy Any Average Annual Guarantee. In addition to the parameters set forth herein, the Parties agree that the following methods shall be used by PBM, NDPERS and/or NDPERS' auditor to determine whether PBM has satisfied each of the Average Annual Guarantees for NDPERS:

1. For each of the Ingredient Cost Guarantees (one (1) brand, and two (2) generic, in each of three (3) drug categories – retail, Retail 90 and mail): The total sum of the Extended AWP's shall be calculated for all Dispensed Claims based on the parameters set forth herein and shall be called "Total AWP's." The total Ingredient Costs invoiced to NDPERS for the same Dispensed Claims shall be calculated and shall be called "Total Invoiced Costs." The following formula shall thereafter be applied:

$$1 - (\text{Total Invoiced Costs} / \text{Total AWP's}) = \text{Actual Average Annual Rate}$$

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

$$(\text{Guaranteed Average Rate} - \text{Actual Average Annual Rate}) \times (\text{Total AWP's})$$

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

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

$$(\text{Actual Average Annual Dispensing Fee} - \text{Guaranteed Average Dispensing Fee}) \times (\text{total numbers of Dispensed Claims})$$

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

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

8. Specialty Drugs.

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

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

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

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

## EXHIBIT B

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

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

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

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

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

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

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

## EXHIBIT C

### PERFORMANCE GUARANTEES

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

**EXHIBIT D**

**NDPERS BENEFIT PLAN DESIGN**

*[Plan Design to be inserted here by NDPERS]*



## EXHIBIT E

### Business Associate Agreement

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

#### 1. Definitions

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

#### 2. Obligations of Business Associate.

##### 2.1. The Business Associate agrees:

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

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

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

#### 3.1. General Use and Disclosure Provisions

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

#### 3.2. Specific Use and Disclosure Provisions

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

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

- c. To report violations of law to appropriate Federal and State authorities, consistent with 45 C.F.R. §§ 164.304 and 164.502(j)(1).

#### 4. Obligations of Covered Entity

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

Covered Entity shall notify Business Associate of:

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

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

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

##### 4.2. Permissible Requests by Covered Entity

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

#### 5. Term and Termination

- a. Term. The Term of this Agreement shall be effective as of January 1, 2024, and shall terminate when all of the PHI and ePHI provided by Covered Entity to Business Associate, or created or received by Business Associate on behalf of Covered Entity, is destroyed or returned to Covered Entity, or, if it is infeasible to return or destroy PHI and ePHI, protections are extended to any such information, in accordance with the termination provisions in this Section.
- b. Automatic Termination. This Agreement will automatically terminate upon the termination or expiration of the Underlying Agreement.

- c. Termination for Cause. Upon Covered Entity's knowledge of a material breach by Business Associate, Covered Entity shall either:
  - 1. Provide an opportunity for Business Associate to cure the breach or end the violation and terminate this Agreement and the Underlying Agreement if Business Associate does not cure the breach or end the violation within the time specified by Covered Entity;
  - 2. Immediately terminate this Agreement and the Underlying Agreement if Business Associate has breached a material term of this Agreement and cure is not possible; or
  - 3. If neither termination nor cure is feasible, Covered Entity shall report the violation to the Secretary.
- d. Effect of Termination.
  - 1. Except as provided in paragraph (2) of this subsection, upon termination of this Agreement, for any reason, Business Associate shall return or destroy all PHI received from Covered Entity, or created or received by Business Associate on behalf of Covered Entity. This provision shall apply to PHI and ePHI that is in the possession of subcontractors or agents of Business Associate. Business Associate shall retain no copies of the PHI or ePHI.
  - 2. In the event that Business Associate determines that returning or destroying the PHI or ePHI is not feasible, Business Associate shall provide to Covered Entity notification of the conditions that make return or destruction infeasible. Upon explicit written agreement of Covered Entity that return or destruction of PHI or ePHI is not feasible, Business Associate shall extend the protections of this Agreement to that PHI and ePHI and limit further uses and disclosures of any such PHI and ePHI to those purposes that make the return or destruction infeasible, for so long as Business Associate maintains that PHI or ePHI.

## 6. Miscellaneous

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

## 7. Entire Agreement

This Agreement contains all of the agreements and understandings between the parties with respect to the subject matter of this Agreement. No agreement or other understanding in any way modifying the

terms of this Agreement will be binding unless made in writing as a modification or amendment to this Agreement and executed by both parties.

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

For Covered Entity:

For Business Associate:

\_\_\_\_\_  
Board Chair  
ND Public Employees Retirement System

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date

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

Current Contract Benefits	Discuss and Identify comparable service offerings.
<p><u>PDP Plan</u></p> <ul style="list-style-type: none"> <li>• Maintain a Medicare Part D Prescription Drug Plan with EGWP+Wrap, compliant with CMS requirements and will incorporate all required updates for 2024</li> </ul>	
<p><u>Pharmacy Benefit Manager Programs</u></p> <ul style="list-style-type: none"> <li>• Perform the following services:               <ul style="list-style-type: none"> <li>• Perform claims adjudication</li> <li>• Maintain retail pharmacy network (compliant with CMS requirements).</li> <li>• Maintain specialty pharmacy program</li> <li>• Maintain mail-order pharmacy program</li> <li>• Administer clinical programs (compliant with CMS requirements)</li> <li>• Maintain Formulary (compliant with CMS requirements)</li> <li>• Drug utilization reviews                   <ul style="list-style-type: none"> <li>• Retrospective DUR</li> <li>• Concurrent DUR</li> <li>• Prospective DUR</li> </ul> </li> <li>• Provide Medication Therapy Management Program (compliant with CMS requirements)</li> <li>• Administer Coordination of Benefits</li> </ul> </li> </ul>	

<b>Current Contract Benefits</b>	<b>Discuss and Identify comparable service offerings.</b>
<ul style="list-style-type: none"> <li>• Allow NDPERS to conduct periodic performance audits</li> </ul>	
<p><u>Enrollment Services</u></p> <ul style="list-style-type: none"> <li>• Provide enrollment specialists to be available 24 hours a day 7 days a week to answer questions from members wishing to enroll in a plan or get further information on their enrollment</li> <li>• Provide weekly member enrollment/disenrollment report that includes: <ul style="list-style-type: none"> <li>- Out-of-country address</li> <li>- Not entitled to Medicare A or B</li> <li>- Disenroll due to incarceration</li> <li>- Member denied due to no response</li> <li>- Cancel enrollment/disenrollment</li> <li>- Deaths</li> <li>- HICN discrepancies</li> <li>- Enrollment in another PDP</li> </ul> </li> <li>• Complete enrollment verification of entries by NDPERS staff and sent through NDPERS electronic file</li> <li>• Notify NDPERS if there are problems with processing the electronic file</li> <li>• Conduct ongoing communication with NPERS including on problems with processing electronic files</li> <li>• Rush enrollments with immediate updates</li> <li>• Provide ongoing administrative enrollment process support such as: <ul style="list-style-type: none"> <li>- Send notice to members who report address changes</li> </ul> </li> </ul>	

Current Contract Benefits	Discuss and Identify comparable service offerings.
<ul style="list-style-type: none"> <li>- Generate and mail ID cards</li> <li>- Mail benefit books</li> <li>• Administer late enrollment penalties (LEP) and low-income subsidies (LIS) directly to members on behalf of NDPERS</li> <li>• Provide ongoing reporting of members approved for the low-income subsidy and the effective date</li> <li>• Provide ongoing reporting of members with late enrollment penalties (LEP)</li> <li>• Notifications and tracking of Income-related monthly adjustment amount (IRMAA)</li> <li>• Notify PERS of Annual Adjustment to Part D rates based on the Federal subsidy and the Low-Income Subsidy (LIS)</li> <li>• Designate a point of contact for questions on enrollments/discrepancies</li> </ul>	
<p><u>Plan Communication Services</u></p> <ul style="list-style-type: none"> <li>• Help Desk: Provide toll-free access to Participating Pharmacies to obtain assistance with eligibility, claims processing, DUR, and other troubleshooting</li> <li>• Provide communications to members including: <ul style="list-style-type: none"> <li>- All CMS required notices</li> <li>- Benefit Overview</li> <li>- Formulary List</li> <li>- Formulary updates or changes</li> <li>- Previous coverage attestation notice to members</li> <li>- IRMAA required notices</li> </ul> </li> </ul>	



Current Contract Benefits	Discuss and Identify comparable service offerings.
<p><u>Member Services</u></p> <ul style="list-style-type: none"> <li>• Provide a toll-free telephone number for members, and individuals interested in enrolling, to speak to a licensed pharmacist or other appropriate representative</li> <li>• Provide a toll-free telephone number for Members 24 hours a day, 7 days a week, answering questions regarding eligibility, claims, prior authorization status, drug coverage, enrollment status, and other PBM related services</li> <li>• Manage member appeals</li> <li>• Administer communication and educational materials to Members about plan details</li> <li>• Set up and maintain a member portal to allow users to look up drugs, pharmacies, and formularies, and mail order and claim information</li> <li>• Provide reporting on customer service metrics including online and telephonic call types and volume</li> </ul>	
<p><u>Billing</u></p> <ul style="list-style-type: none"> <li>• Carrier provides monthly billing to NDPERS to include: <ul style="list-style-type: none"> <li>• Detailed listing of each participant (in Excel format)</li> <li>• LEP detail</li> <li>• PERS assigned member ID</li> <li>• Retro billing amount and coverage period</li> </ul> </li> <li>• Carrier provides monthly LIS report and corresponding rebate to NDPERS</li> </ul>	

<b>Current Contract Benefits</b>	<b>Discuss and Identify comparable service offerings.</b>
<ul style="list-style-type: none"> <li>• Designate point of contact for questions on billing</li> </ul>	
<p><u>Information Technologies</u></p> <ul style="list-style-type: none"> <li>• Maintain secure data protection protocols</li> <li>• Maintain a secure file transfer system</li> <li>• Facilitate NDPERS specific enrollment file</li> <li>• Update and maintain NDPERS specific benefit matrix and claims processing logic</li> <li>• Provide access for NDPERS staff to online plan sponsor portal</li> </ul>	
<p><u>Legislative and Legal Services</u></p> <ul style="list-style-type: none"> <li>• Actively monitor State and Federal legislation for changes affecting NDPERS, with corresponding analysis of potential impact of legislation on the plan (costs, design requirements, etc.)</li> <li>• Adhere to CMS compliance requirement related to Medicare Part D and EGWP+Wrap benefits</li> <li>• Perform internal audit functions</li> <li>• Monitor prescriber and provider trends to maintain compliance with CMS standards</li> <li>• Update NDPERS on pharmacy class action lawsuits or settlements that may be applicable to the NDPERS benefit</li> </ul>	
<p><u>Account Management Staff</u></p> <ul style="list-style-type: none"> <li>• Designate individuals for each of the following positions:</li> </ul>	

<b>Current Contract Benefits</b>	<b>Discuss and Identify comparable service offerings.</b>
<ul style="list-style-type: none"> <li>• NDPERS Implementation Manager</li> <li>• NDPERS Enrollment Specialists</li> <li>• NDPERS Account Executive with EGWP expertise</li> <li>• NDPERS Account Manager (day-to-day)</li> <li>• NDPERS Clinical Account Manager</li> <li>• NDPERS Executive Sponsor</li> </ul> <ul style="list-style-type: none"> <li>• Provide access to all subject matter experts and other appropriate personnel and make them available for attending board meetings, legislative, hearings, etc., as needed</li> <li>• Attend NDPERS Board meetings upon request (remotely or onsite)</li> <li>• Attend Monthly team meetings to pinpoint any pain points, discuss future plan design and other ongoing items.</li> </ul>	
<p><u>Reporting</u></p> <ul style="list-style-type: none"> <li>• Provide an Annual Review Report</li> <li>• Provide monthly data files through secure file transfer system</li> <li>• As requested by NDPERS, perform ad-hoc reporting including cost, utilization, and risk analysis</li> <li>• Provide reporting on member utilization across all phases of the Part D Standard Benefit to identify the benefits provided by the PDP and the benefits provided by the EGWP+Wrap</li> <li>• Report and disclose all Direct and Indirect Remuneration (DIR) including manufacturer rebate payments, CMS subsidies, and any other price concessions</li> <li>• Reconcile and report on all Performance Guarantees at least annually</li> </ul>	

Current Contract Benefits	Discuss and Identify comparable service offerings.
<p><u>Actuarial Services</u></p> <ul style="list-style-type: none"> <li>• Complete actuarial services to determine the performance of the plan annually</li> <li>• Communicate prescription drug cost and utilization trends used for analysis, estimates, and underwriting</li> <li>• If requested by NDPERS, provide plan design options with impacts to cost (either self-insured claims or fully-insured premium)</li> <li>• Conduct actuarial services to determine improvements to plan design or program savings</li> <li>• For a fully-insured EGWP, provide a preliminary renewal premium projection for a potential renewal (typically provided by the end of April for the upcoming year). Premium projection must include the underwriting elements used to establish the premium (claims, plan design adjustments, risk adjustments, other adjustments (as necessary), trend factors, rebate estimates, subsidy estimates, administration fees, etc.)</li> <li>• For a fully-insured EGWP, provide a final premium calculation for the renewal no later than August 15 prior to the upcoming plan year. Premium projection must include the underwriting elements used to establish the premium (claims, plan design adjustments, risk adjustments, other adjustments (as necessary), trend factors, rebate estimates, subsidy estimates, administration fees, etc.)</li> <li>• Other services as requested</li> </ul>	

**Appendix G – Performance Standards and Guarantees**

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

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

#	Performance Guarantee	Requirement	Measurement	Performance guarantee reporting period (Monthly, Quarterly, Semi-annually, Annually) & dollars at risk	Bidder Response: (Agree, Does Not Agree, N/A)	Requested Modification
3.	<b>Customer service call center will “go-live” on or before December 1, 2023</b>	Vendor’s customer service call center will be fully-operational to respond to member inquiries prior to the effective date to assist members with questions related to the new service and transition	Compliance to be monitored and assessed by NDPERS	\$1,000 for each calendar day after December 1, 2023		
4.	<b>All services will “go-live” and be fully-operational on January 1, 2024</b>	All services will be fully operational and the implementation plan complete on or before January 1, 2024	Compliance to be monitored and assessed by NDPERS	\$25,000 if not operational on January 1, 2024, and \$1,000 for each calendar day after January 1, 2024		
5.	<b>Systems Training for NDPERS Staff</b>	Vendor will provide training on the utilization of systems and reporting tools sixty (60) days prior to implementation	Compliance to be monitored and assessed by NDPERS	\$1,000 for each day less than 60 days prior to implementation		

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

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



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

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

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

#	Performance Guarantee	Requirement	Measurement	Performance guarantee reporting period (Monthly, Quarterly, Semi-annually, Annually) & dollars at risk	Bidder Response: (Agree, Does Not Agree, N/A)	Requested Modification
18.	<b>Claim Timeliness</b>	Clean claims processing within 14 calendar days will be 95% or greater, each year of the biennium. Measured from the date the claim is received to the date claim is processed	Vendor will provide annual reports to confirm compliance with performance standard	<b>Annually</b>  \$12,500 per year		
19.	<b>Average Speed of Answer</b>	Average Speed of Answer will be 30 seconds or less, each year of the biennium. Vendor will have an established measurement process that shall be reviewed with NDPERS	Vendor will provide semi-annual reports to confirm compliance with performance standard	<b>Semi-annually</b>  \$10,000 per year		
20.	<b>Call Abandonment</b>	Call Abandonment rate will be 5% or less, each year of the biennium	Vendor will provide annual reports to confirm compliance with performance standard	<b>Annually</b>  \$10,000 per year		

#	Performance Guarantee	Requirement	Measurement	Performance guarantee reporting period (Monthly, Quarterly, Semi-annually, Annually) & dollars at risk	Bidder Response: (Agree, Does Not Agree, N/A)	Requested Modification
21.	<b>Accuracy and Timelines/First Call Resolution Written Inquiry Response Time</b>	<p>a.) 95% percent of callers receive accurate information. Calls requiring additional research is excluded from the computation of this metric.</p> <p>b.) 95% percent of inquiries must be resolved during the initial call (excluding appeals, billing, errors and escalations).</p>	Vendor must evaluate a statistically valid sample of inquiries with reports provided.	<p><b>Annually</b></p> <p>\$12,500 per year</p>		
22.	<b>Overpayment Recovery</b>	<p>One hundred percent (100%) of all confirmed overpayments identified shall be recovered and returned to the Department within ninety Calendar Days.</p> <p>Measured as the number (count) of overpayments identified by monthly Overpaid Claims Report and paid to the State (not</p>	Vendor will provide annual reports to confirm compliance with performance standard	<p><b>Annually</b></p> <p>\$12,500 per year</p>		

#	Performance Guarantee	Requirement	Measurement	Performance guarantee reporting period (Monthly, Quarterly, Semi-annually, Annually) & dollars at risk	Bidder Response: (Agree, Does Not Agree, N/A)	Requested Modification
		an offset of Claims) within ninety (90) Calendar Days.				
23.	<b>Prescription drug turnaround time - clean prescriptions</b>	98% within two (2) business days if no intervention required	Vendor will provide quarterly reports to confirm compliance with performance standard	<b>Quarterly</b>  \$1,000 for each point below standard-		
24.	<b>Prescription drug mail dispensing accuracy</b>	99.9% Mail service dispensing accuracy rate. Fields measured include member name, drug strength, directions, quantity, and prescriber name.	Vendor will provide annual reports to confirm compliance with performance standard	<b>Annually</b>  \$12,500 per year		
25.	<b>Prescription drug home delivery member notifications</b>	Vendor is required to notify a member when a mail service prescription is changed or there is any expected shipping delay and provide reporting details to NDPERS capturing all occurrences by member/DOS/Issue	Vendor will provide annual reports to confirm compliance with performance standard	<b>Annually</b>  \$12,500 per year		

#	Performance Guarantee	Requirement	Measurement	Performance guarantee reporting period (Monthly, Quarterly, Semi-annually, Annually) & dollars at risk	Bidder Response: (Agree, Does Not Agree, N/A)	Requested Modification
26.	<b>Prescription drug specialty pharmacy delivery</b>	98% of prescription will be delivered and received by patients on the specified date of delivery	Vendor will provide annual reports to confirm compliance with performance standard	<b>Annually</b>  \$12,500 per year		
27.	<b>Network Pharmacy Access</b>	Pharmacy network composition will not be reduced by more than 5% in North Dakota compared to the network submitted in the RFP	Vendor will provide annual reports to confirm compliance with performance standard	<b>Annually</b>  \$12,500 per year		
28.	<b>Data Systems Availability and Adjudication</b>	Guarantees an annual average 99% system availability of the point-of-sale adjudication system on a book-of-business basis. This standard excludes downtime attributed to regularly scheduled systems maintenance or systems downtime	Book of business level	<b>Annually</b>  \$12,500 per year		

**Appendix H**  
**Confidential/Proprietary Information**  
**Request for Redaction Chart**

The Responder submitting a proposal to the attached RFP is required to complete the following. Any provisions of the company's proposal that are desired to be confidential must be identified specifically on each page of the proposal and in a table format 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 has submitted a redacted copy of the proposal on a USB flash drive labeled "REDACTED" that accurately and completely redacts the information noted in the table below.
- \_\_\_ 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.

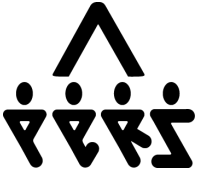
Technical Proposal:				
Specific wording that Responder desires to protect	Page Number, Section Number	Specific reason Responder believes the language should not be disclosed	North Dakota Century Code provision that allows NDPERS to withhold the information if requested	Has this information ever been publicly disclosed? (Yes/No)
<i>Insert rows above as necessary</i>				
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)
<i>Insert rows above as necessary</i>				

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 \_\_\_\_\_, 2023.

\_\_\_\_\_ (Signature)







**North Dakota  
Public Employees Retirement System**  
1600 East Century Avenue, Suite 2 • PO Box 1657  
Bismarck, North Dakota 58502-1657

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

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Fax (701) 328-3920    Email [ndpers-info@nd.gov](mailto:ndpers-info@nd.gov)    Website [www.ndpers.nd.gov](http://www.ndpers.nd.gov)

# Memorandum

**TO:**                   NDPERS Board

**FROM:**               Rebecca

**DATE:**               August 15, 2023

**SUBJECT:**           **FlexComp – Voluntary Insurance Products**

We have conducted our annual review of the vendors for the voluntary insurance products approved for pretax premiums under our Section 125 FlexComp Plan. We sent all current vendors a request to confirm the products they offer, provide a brief product description, and verify whether it is eligible to be a pretax product. Following is a list of the respondents:

AFLAC  
Central United  
Colonial Life  
Total Dental Administrators (TDA)  
USABLE

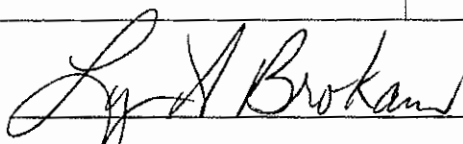
All of the vendors have responded and confirmed the ongoing eligibility of their products for pretax treatment under our FlexComp Plan. The attached outlines the vendor products available for payroll deduction, a brief description of the product, and certification by the vendor regarding which products are or are not eligible to be pre-taxed. No new products are being proposed by any of the participating companies.

Staff recommends that the vendors and their eligible products be approved for inclusion as pretax benefits under the FlexComp Plan for the 2024 plan year.

## **Board Action Requested**

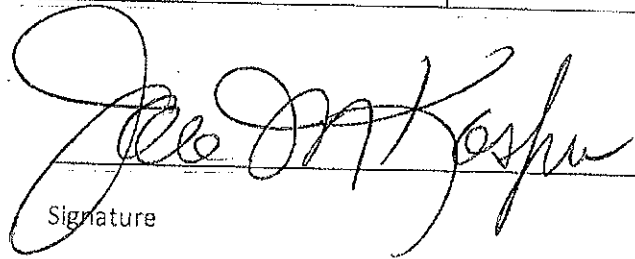
Approve the inclusion of the products eligible to be pre-taxed for the FlexComp Plan for the 2024 plan year.

AFLAC  Product Name	Company Representative – Lynn Brokaw  925 Basin Ave Ste 1 Bismarck, ND 58504 701-208-0617 E-Mail: lynn_brokaw@us.aflac.com  Product Description	Pretax Eligibility
Cancer	Cancer indemnity policies providing benefits for diagnosis of skin cancer, internal cancer as well as annual screening benefits.	Yes
Hospital Confinement	Indemnity benefits whether hospitalized days or weeks.	Yes
Hospital Intensive Care	Provides coverage in the event of a sickness or injury and is admitted to the ICU unit.	Yes
Accident	Accident indemnity policies providing benefits for accident/injury.	Yes
Lump Sum Critical Illness	Pays a lump sum benefit for code red major critical illness event. (Heart attack, stroke, coma, paralysis, major organ transplant, end stage renal failure. Riders available for cancer, sudden cardiac death.)	Yes
Personal Sickness Indemnity	Indemnity policy for sickness related hospital confinement, major diagnostic exams, in & out-patient surgeries.	No
Specified Health Event	Critical care, recovery indemnity policies for major critical illness.	Yes
Disability	All disability policies that are specific replacement of income benefits.	No
Dental	Voluntary dental. No networks, no deductibles, no pre-certifications.	No
Vision Now	Vision indemnity policy providing vision insurance, vision correction benefits.	No
Life	All life policies.	No

  
\_\_\_\_\_  
Signature

7-18-2023  
Date

Central United  Product Name	Company Representative – James M Kasper  C/O Asset Management Group Inc. PO Box 9016 Fargo ND 58103--9016 701-232-6250  E-Mail: jmkasper@amg-nd.com  Product Description	Pretax Eligibility
Cancer Insurance	Provides cash benefits to covered persons for treatment of cancer.	Yes

  
Signature

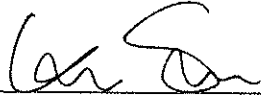
7/24/2023  
Date

<b>Colonial Life</b>  <b>Product Name</b>	<b>Company Representative – John Guzman</b>  <b>Famer's Union Insurance</b> <b>4141 38<sup>th</sup> St S Ste C</b> <b>Fargo ND 58104</b>  <b>E-Mail: john.guzman@fumic.com</b>  <b>Product Description</b>	<b>Pretax Eligibility</b>
Accident	Composite rated, guaranteed renewable accident product with choice of plan levels and optional riders. It provides indemnity benefits for on and off the job accidents.	Yes
Cancer	Composite rated, guaranteed renewable specified disease product with choice of plan levels and optional riders. Provides benefits for expenses related to cancer.	Yes
Disability	Age banded, guaranteed renewable short-term disability income product.	No
Medical Bridge	Age banded, guaranteed renewable hospital confinement indemnity product. Choice of plans, levels. Includes confinement, rehab unit, surgical and diagnostic procedures.	Yes
Critical Illness	Specified disease product with a lump sum benefit upon diagnosis of a covered specified disease with a choice of plan options for reoccurrence, cancer, face amounts, and optional riders.	No
Life	All life insurance policies.	No

  
 \_\_\_\_\_  
 Signature

8/4/23  
 \_\_\_\_\_  
 Date

<b>Total Dental Administrators</b>  <b>Product Name</b>	<b>Company Representative – Logan Stucki</b>  2800 N 44 <sup>th</sup> Street Ste 500 Phoenix AZ 85008 801-268-9740 Ext 306  E-Mail: <a href="mailto:lstucki@emihealth.com">lstucki@emihealth.com</a>  <b>Product Description</b>	<b>Pretax Eligibility</b>
Elite Choice	Fully insured dental program.	Yes

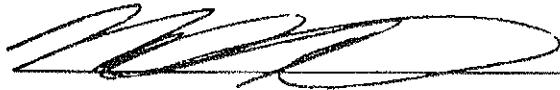


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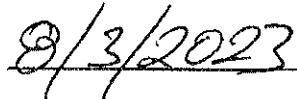
Signature

Date

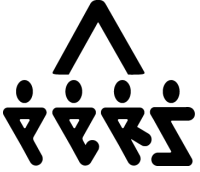
<b>USABLE</b>  <b>Product Name</b>	<b>Company Representative – Matthew Sullivan</b>  <b>Azurance Group</b> <b>4510 13 Ave S</b> <b>Fargo ND 58121</b> <b>701-277-2319</b>  <b>E-Mail: Matthew.Sullivan@AzuranceGroup.net</b>  <b>Product Description</b>	<b>Pretax Eligibility</b>
Accident Elite	Employees can get help prevent financial hardship due to medical/travel expenses caused from an accident. Payments direct to employee.	Yes
Cancer Care Elite	Payments direct to employee for new and experimental treatment, travel, lodging, out of pocket medical costs, deductibles, co-pay amounts.	Yes
Hospital Confinement Plan	Payment direct to employee for costs related to intensive care, hospitalization, birth of a child, accidents.	Yes



Signature



Date



**North Dakota  
Public Employees Retirement System**  
1600 East Century Avenue, Suite 2 • PO 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](mailto:ndpers-info@nd.gov)    Website [www.ndpers.nd.gov](http://www.ndpers.nd.gov)

# Memorandum

**TO:**                   NDPERS Board

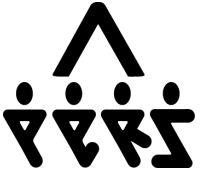
**FROM:**               Rebecca

**DATE:**               August 15, 2023

**SUBJECT:**           Vision Insurance Plan – Update on Dakota Eye Institute

Staff will provide a recent update related to Dakota Eye Institute and Superior Vision by MetLife.





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# Memorandum

**TO:**                   NDPERS Board

**FROM:**               Katheryne Korom

**DATE:**               August 15, 2023

**SUBJECT:**           Group Voluntary Vision Benefits Plan Contract

At the July Board meeting, the Board approved the contract for the NDPERS Group Voluntary Vision Benefits Plan with Metropolitan Life Insurance Company (MetLife). The renewal was approved for January 1, 2024, through December 31, 2025 contract period. The attached contract was drafted by NDPERS legal staff and approved by representatives from MetLife.

**Board Action Requested:** Approve the contract for the NDPERS group voluntary vision benefits plan for January 1, 2024, through December 31, 2025, contract period.

Attachment

## Appendix A – Agreements

### AGREEMENT FOR SERVICES BETWEEN SUPERIOR VISION SERVICES, INC. AND NORTH DAKOTA PUBLIC EMPLOYEES RETIREMENT SYSTEM

Superior Vision Services, Inc. (hereinafter CONTRACTOR) has offered to provide services to the State of North Dakota acting through its Public Employees Retirement System (hereinafter NDPERS). The terms of this Contract shall constitute the services agreement (“Agreement”).

CONTRACTOR and NDPERS agree to the following:

- 1) **SCOPE OF SERVICES:** CONTRACTOR agrees to provide the service(s) as specified in the 2023 bid document, 2023 deviations document, and VENDOR proposal (attached hereto and incorporated by reference Exhibit A).
- 2) **TERM:** The term of this contract shall commence January 1, 2024, - December 31, 2025.
- 3) **FEES:** NDPERS shall only pay pursuant to the terms in Exhibit A.
- 4) **BILLINGS:** NDPERS will pay for the services provided by CONTRACTOR under this contract pursuant to Exhibit A.
- 5) **TERMINATION:** Either party may terminate this agreement with thirty (30) days written notice mailed to the other party, or as mutually agreed to by the parties. Upon any termination the CONTRACTOR shall be compensated as described in Exhibit A for services performed up to the date of termination.

In addition, NDPERS by written notice to CONTRACTOR may terminate the whole or any part of this Agreement under any of the following conditions:

- i. If funding from federal, state, or other sources is not obtained and continued at levels sufficient to allow for purchase of the services or supplies in the indicated quantities or term.
- ii. If federal or state laws or rules are modified or interpreted in a way that the services are no longer allowable or appropriate for purchase under this Agreement or are no longer eligible for the funding proposed for payments authorized by this Agreement.
- iii. If any license, permit, or certificate required by law or rule, or by the terms of this Agreement, is for any reason denied, revoked, suspended, or not renewed.

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

In addition, NDPERS may terminate this Agreement effective upon thirty (30) days prior written notice to CONTRACTOR, or any later date stated in the notice:

- 1) If CONTRACTOR fails to provide services required by this Agreement within the

time specified or any extension agreed to by NDPERS; or

2) If CONTRACTOR fails to perform any of the other provisions of this Agreement, or so fails to pursue the work as to endanger performance of this Agreement in accordance with its terms.

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

- 6) **ASSIGNMENT AND SUBCONTRACTS:** CONTRACTOR may not assign or otherwise transfer or delegate any right or duty without STATE's express written consent, provided, however, that CONTRACTOR may assign its rights and obligations hereunder in the event of a change of control or sale of all or substantially all of its assets related to this Contract, whether by merger, reorganization, operation of law, or otherwise. Should Assignee be a business or entity with whom STATE is prohibited from conducting business, STATE shall have the right to terminate without cause.

CONTRACTOR may enter into subcontracts provided that any subcontract acknowledges the binding nature of this Contract. CONTRACTOR is solely responsible for the performance of any subcontractor with whom CONTRACTOR contracts. CONTRACTOR does not have authority to contract for or incur obligations on behalf of NDPERS.

- 7) **ACCESS TO RECORDS AND CONFIDENTIALITY:** The parties agree that all participation by NDPERS members and their dependents in programs administered by NDPERS is confidential under North Dakota law. CONTRACTOR may request and NDPERS shall provide directly to CONTRACTOR upon such request, confidential information necessary for CONTRACTOR to provide the services described in Exhibit A. CONTRACTOR shall keep confidential all NDPERS information obtained in the course of delivering services. Failure of CONTRACTOR to maintain the confidentiality of such information may be considered a material breach of the contract and may constitute the basis for additional civil and criminal penalties under North Dakota law. CONTRACTOR has exclusive control over the direction and guidance of the persons rendering services under this Agreement. Upon termination of this Agreement, for any reason, CONTRACTOR shall return or destroy all confidential information received from NDPERS, or created or received by CONTRACTOR on behalf of NDPERS. This provision applies to confidential information that may be in the possession of subcontractors or agents of CONTRACTOR. CONTRACTOR shall retain no copies of the confidential information. In the event that CONTRACTOR asserts that returning or destroying the confidential information is not feasible, CONTRACTOR shall provide to NDPERS notification of the conditions that make return or destruction infeasible. Upon explicit written agreement of NDPERS that return or destruction of confidential information is not feasible, CONTRACTOR shall extend the protections of this Agreement to that confidential information and limit further uses and disclosures of any such confidential information to those purposes that make the return or destruction infeasible, for so long as CONTRACTOR maintains the confidential information.

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

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

- 8) **APPLICABLE LAW AND VENUE:** This Agreement is governed by and construed in accordance with the laws of the State of North Dakota. Any action to enforce this Contract must be adjudicated exclusively in the state District Court of Burleigh County, North Dakota. Each party consents to the exclusive jurisdiction of such court and waives any claim of lack of jurisdiction or *forum non conveniens*.
- 9) **MERGER AND MODIFICATION:** This Agreement, including the following documents, constitutes the entire agreement between the parties. There are no understandings, agreements, or representations, oral or written, not specified within this Agreement. This Agreement may not be modified, supplemented or amended, in any manner, except by written agreement signed by both parties.

Notwithstanding anything herein to the contrary, in the event of any inconsistency or conflict among the documents making up this Agreement, the documents must control in this order of precedence: First – the terms of this Agreement, as may be amended and Second - the state's Request for Proposal (attached in Exhibit A) and Third – CONTRACTOR's Proposal (attached in Exhibit A). No waiver, consent, modification or change of terms of this Agreement shall bind either party unless in writing and signed by both parties. Such waiver, consent, modification or change, if made, shall be effective only in the specific instances and for the specific

purpose given. There are no understandings, agreements, or representations, oral or written, not specified herein regarding this Agreement.

- 10) **INDEMNITY:** CONTRACTOR agrees to defend, indemnify, and hold harmless the state of North Dakota, its agencies, officers and employees (State), from and against claims to the extent based on the vicarious liability of the State or its agents arising out of or related to CONTRACTOR's performance of the Services

(which does not include medical care or services provided by eye care providers), but not against claims based on the State's contributory negligence, comparative and/or contributory negligence or fault, sole negligence, or intentional misconduct. This obligation to defend, indemnify, and hold harmless does not extend to professional liability claims arising from professional errors and omissions. The legal defense provided by CONTRACTOR to the State under this provision must be free of any conflicts of interest, even if retention of separate legal counsel for the State is necessary. Any attorney appointed to represent the State must first qualify as and be appointed by the North Dakota Attorney General as a Special Assistant Attorney General as required under N.D.C.C. § 54-12-08. CONTRACTOR also agrees to defend, indemnify, and hold the State harmless for all costs, expenses and attorneys' fees incurred if the State prevails in an action against CONTRACTOR in establishing and litigating the indemnification coverage provided herein. This obligation shall continue after the termination of this Agreement.

- 11) **INSURANCE:** Contractor shall secure and keep in force during the term of this agreement and Contractor shall require all subcontractors, prior to commencement of an agreement between Contractor and the subcontractor, to secure and keep in force during the term of this agreement, from insurance companies, government self-insurance pools or government self-retention funds, authorized to do business in North Dakota, the following insurance coverages:
- 1) Commercial general liability, including premises or operations, contractual, and products or completed operations coverages (if applicable), with minimum liability limits of \$2,000,000 per occurrence.
  - 2) Automobile liability, including Owned (if any), Hired, and Non-Owned automobiles, with minimum liability limits of \$500,000 per person and \$2,000,000 per occurrence.
  - 3) Workers compensation coverage meeting all statutory requirements. The policy shall provide coverage for all states of operation that apply to the performance of this contract.
  - 4) Employer's liability or "stop gap" insurance of not less than \$2,000,000 as an endorsement on the workers compensation or commercial general liability insurance.
  - 5) Professional errors and omissions with minimum limits of \$1,000,000 per claim and in the aggregate, Contractor shall continuously maintain such coverage during the contact period and for three years thereafter. In the event of a change or cancellation of coverage, Contractor shall purchase an extended reporting period to meet the time periods required in this section.

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

- 1) Any deductible or self-insured retention amount or other similar obligation under the policies shall be the sole responsibility of the Contractor. The amount of any deductible or self-retention is subject to approval by the State.
- 2) This insurance may be in policy or policies of insurance, primary and excess, including the so-called umbrella or catastrophe form and must be placed with insurers rated "A-" or better by A.M. Best Company, Inc., provided any excess policy follows form for coverage. Less than an "A-" rating must be approved

- by the State. The policies shall be in form and terms approved by the State.
- 3) The duty to defend, indemnify, and hold harmless the State under this agreement shall not be limited by the insurance required in this agreement.
  - 4) The state of North Dakota and its agencies, officers, and employees (State) shall be endorsed on the commercial general liability policy, including any excess policies (to the extent applicable), as additional insured. The State shall have all the benefits, rights and coverages of an additional insured under these policies that shall not be limited to the minimum limits of insurance required by this agreement or by the contractual indemnity obligations of the Contractor.
  - 5) A "Waiver of Subrogation" waiving any right to recovery the insurance company may have against the State.
  - 6) The Contractor shall furnish a certificate of insurance to the undersigned State representative prior to commencement of this agreement. All endorsements shall be provided as soon as practicable.
  - 7) Failure to provide insurance as required in this agreement is a material breach of contract entitling the State to terminate this agreement immediately.
  - 8) Contractor shall provide at least 30 day notice of any cancellation or material change to the policies or endorsements. Contractor shall provide on an ongoing basis, current certificates of insurance during the term of the contract. A renewal certificate will be provided 10 days prior to coverage expiration.
- 12) **SEVERABILITY:** If any term in this Agreement is declared by a court having jurisdiction to be illegal or unenforceable, the validity of the remaining terms must not be affected, and, if possible, the rights and obligations of the parties are to be construed and enforced as if the Agreement did not contain that term.
- 13) **INDEPENDENT ENTITY:** CONTRACTOR is an independent entity under this Agreement and is not a State employee for any purpose, including the application of the Social Security Act, the Fair Labor Standards Act, the Federal Insurance Contribution Act, the North Dakota Unemployment Compensation Law and the North Dakota Workforce Safety and Insurance Act. CONTRACTOR retains sole and absolute discretion in the manner and means of carrying out CONTRACTOR'S activities and responsibilities under this Agreement, except to the extent specified in this Agreement.
- 14) **NDPERS RESPONSIBILITIES:** NDPERS shall cooperate with the CONTRACTOR hereunder, including, without limitation, providing the CONTRACTOR with reasonable and timely access to data, information and personnel of NDPERS. NDPERS shall be responsible for the performance of its personnel and agents and for the accuracy and completeness of data and information provided to the CONTRACTOR for purposes of the performance of the Services.
- 15) **FORCE MAJEURE:** Neither party shall be held responsible for delay or default caused by fire, riot, terrorism, acts of God or war if the event is beyond the party's reasonable control and the affected party gives notice to the other party immediately upon occurrence of the event causing the delay or default or that is reasonably expected to cause a delay or default.

- 16) **ALTERNATIVE DISPUTE RESOLUTION – JURY TRIAL:** By entering into this Contract, NDPERS does not agree to binding arbitration, mediation, or any other form of mandatory Alternative Dispute Resolution. The parties may enforce the rights and remedies in judicial proceedings. STATE does not waive any right to a jury trial.
- 17) **NOTICE:** All notices or other communications required under this contract must be given by registered or certified mail and are complete on the date mailed when addressed to the parties at the following addresses:

**NDPERS:**

Mona Tedford Rindy, Board Chairperson  
ND Public Employees Retirement System  
1600 East Century Avenue, Suite 2  
PO Box 1657  
Bismarck, ND 58502-1657

**CONTRACTOR:**

Superior Vision Services, Inc./o Versant Health, Inc.881 Elkridge Landing Road,  
Suite 300Linthicum Heights, MD 21090  
Attn.: General Counsel

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

- 18) **NONDISCRIMINATION AND COMPLIANCE WITH LAWS:** CONTRACTOR agrees to comply with all applicable federal and state laws, rules, and policies, including those relating to nondiscrimination, accessibility and civil rights. (See N.D.C.C. Title 34 – Labor and Employment, specifically N.D.C.C. ch. 34-06.1 Equal Pay for Men and Women.)

CONTRACTOR agrees to timely file all required reports, make required payroll deductions, and timely pay all taxes and premiums owed, including sales and use taxes, unemployment compensation and workers' compensation premiums. CONTRACTOR shall have and keep current at all times during the Term of this Contract all licenses and permits required by law.

CONTRACTOR is prohibited from boycotting Israel for the duration of this Contract. (See N.D.C.C § 54-44.4-15.) CONTRACTOR represents that it does not and will not engage in a boycotting Israel during the term of this Contract. If STATE receives evidence that CONTRACTOR boycotts Israel, STATE shall determine whether the company boycotts Israel. The foregoing does not apply to contracts with a total value of less than \$100,000 or if CONTRACTOR has fewer than ten full-time employees.

CONTRACTOR's failure to comply with this section may be deemed a material

breach by CONTRACTOR entitling STATE to terminate in accordance with the Termination for Cause section of this Contract.

- 19) **STATE AUDIT:** All records, regardless of physical form, and the accounting practices and procedures of CONTRACTOR relevant to this Contract are subject to examination by the North Dakota State Auditor, the Auditor’s designee, or Federal auditors, if required. CONTRACTOR shall maintain all of these records for at least three (3) years following completion of this Contract and be able to provide them upon reasonable notice. STATE, State Auditor, or Auditor’s designee shall provide reasonable notice to CONTRACTOR prior to conducting examination.
- 20) **TAXPAYER ID:** CONTRACTOR’S federal employer ID number is:30-0493780.
- 21) **PAYMENT OF TAXES BY STATE:** State is not responsible for and will not pay local, state, or federal taxes. State sales tax exemption number is E-2001, and certificates will be furnished upon request by the NDPERS.
- 22) **EFFECTIVENESS OF CONTRACT:** This Agreement is not effective until fully executed by both parties.

IN WITNESS WHEREOF, CONTRACTOR and NDPERS have executed this Agreement as of the date first written above.

**NORTH DAKOTA PUBLIC  
EMPLOYEES RETIREMENT SYSTEM**

**SUPERIOR VISION SERVICES, INC.  
CONTRACTOR**

\_\_\_\_\_  
Board Chairperson  
ND Public Employees Retirement System



Signature

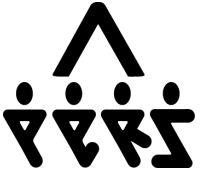
\_\_\_\_\_  
Justin Funk  
Printed Name

\_\_\_\_\_  
Vice President – Midwest Sales  
Title

\_\_\_\_\_  
Date

\_\_\_\_\_  
August 4, 2023  
Date





# Memorandum

**TO:** NDPERS Board

**FROM:** Katheryne Korom

**DATE:** August 15, 2023

**SUBJECT:** Uniform Group Insurance Consultant Request for Proposal

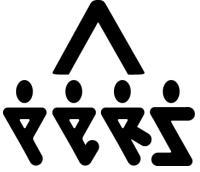
The Uniform Group Insurance Consultant RFP was issued on July 3, 2023. We received a total of 31 questions. The responses to these questions were posted on August 11, 2023.

Following are the key dates for the proposal process:

Date	Activity
July 3, 2023	RFP is issued.
July 21, 2023	Written questions regarding proposals must be received by NDPERS no later than 5:00 p.m. (CDT).
August 11, 2023	NDPERS posts responses to all questions received.
August 29, 2023	Proposals must be received by NDPERS no later than 5:00 p.m. (CDT).
October 2023	NDPERS Board review of proposals.
October/November 2023	Finalist interview, if deemed necessary by the NDPERS Board.
November 2023	Best and Final Offers due, if deemed necessary by the NDPERS Board.
December 2023	Selection and award of a contract by NDPERS.

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

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



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# Memorandum

**TO:**                   NDPERS Board

**FROM:**               Derrick Hohbein

**DATE:**               August 15, 2023

**SUBJECT:**           2022 Active Health Care Report

Here is the NDPERS Active health care report for the 2022 calendar year.

Hospital utilization (54% of total charges) decreased 1.3%, physician/clinical utilization (35% of total charges) increased .3%, and pharmacy utilization (11% of total charges) increased .9%. The combined utilization results in an overall per capita cost increase of 3.3% for the calendar year ending 2022.

A similar agency-specific report is developed for the large groups on the NDPERS Health Plan (over 100 employees).

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



NORTH DAKOTA  
PUBLIC EMPLOYEES  
RETIREMENT SYSTEM

# 2022 NDPERS Healthcare Report

The NDPERS Healthcare Report provides your agency with a snapshot of your agency's participation and utilization of the Health Insurance Plan.

During 2022, 18,132 active North Dakota state employees were enrolled as the main subscriber in the Plan. These employees have an additional 31,018 dependents.

# Hospital

The state's health plan members incurred 447,342 hospital claims/services from January to December 2022. These claims amounted to \$369,391,274 in total charges. The NDPERS Health Plan paid \$122,952,211 toward these charges.

## HOSPITAL UTILIZATION

ADMISSION: 01/2022 - 12/2022

	CLAIMS	%	CHARGES	PAID
OTHER	9,002	2	\$22,015,048	\$7,407,727
IP NEWBORN	2,882	1	\$12,436,938	\$4,190,522
IP MEDICAL	93,358	21	\$79,585,982	\$22,120,289
IP MATERNITY	197	0	\$481,825	\$151,814
IP SURGICAL	14,190	3	\$82,909,897	\$23,706,906
IP PSYCH	2,068	0	\$7,701,850	\$2,289,413
IP CHEM DEP	1,088	0	\$2,694,477	\$872,436
OP SURGICAL	4,216	1	\$11,502,904	\$4,562,749
OP MEDICAL	318,802	71	\$149,409,243	\$57,254,186
SNF, HOSPICE & SWING BED	205	0	\$134,441	\$76,149
HOME HEALTH AG	1,334	0	\$518,669	\$320,020
<b>TOTAL</b>	<b>447,342</b>	<b>100</b>	<b>\$369,391,274</b>	<b>\$122,952,211</b>

CLAIM TYPE: IP=Inpatient OP=Outpatient

# Physician/Clinic

ND active employees incurred 1,127,911 physician/clinic services from January to December 2022. These services amounted to \$243,155,199 in total charges. The NDPERS Health Plan paid \$108,603,354 toward these charges.

## PHYSICIAN/CLINIC UTILIZATION

SERVICE DATE: 01/2022 - 12/2022

	SERVICES	%	CHARGES	PAID
<b>SURGERY-OP</b>	7,960	1	\$11,234,200	\$5,111,698
<b>IP VISITS</b>	85,255	8	\$42,945,631	\$17,542,310
<b>OP / ER VISITS</b>	24,156	2	\$9,339,052	\$3,989,119
<b>OFFICE CALLS</b>	888,464	79	\$164,777,453	\$77,430,181
<b>CHEM/PSYCH</b>	1,324	0	\$341,338	\$149,164
<b>THERAPIES</b>	37	0	\$29,781	\$8,720
<b>DIAGNOSTIC</b>	120,715	11	\$14,487,743	\$4,372,162
<b>TOTAL</b>	1,127,911	100	\$243,155,199	\$108,603,354



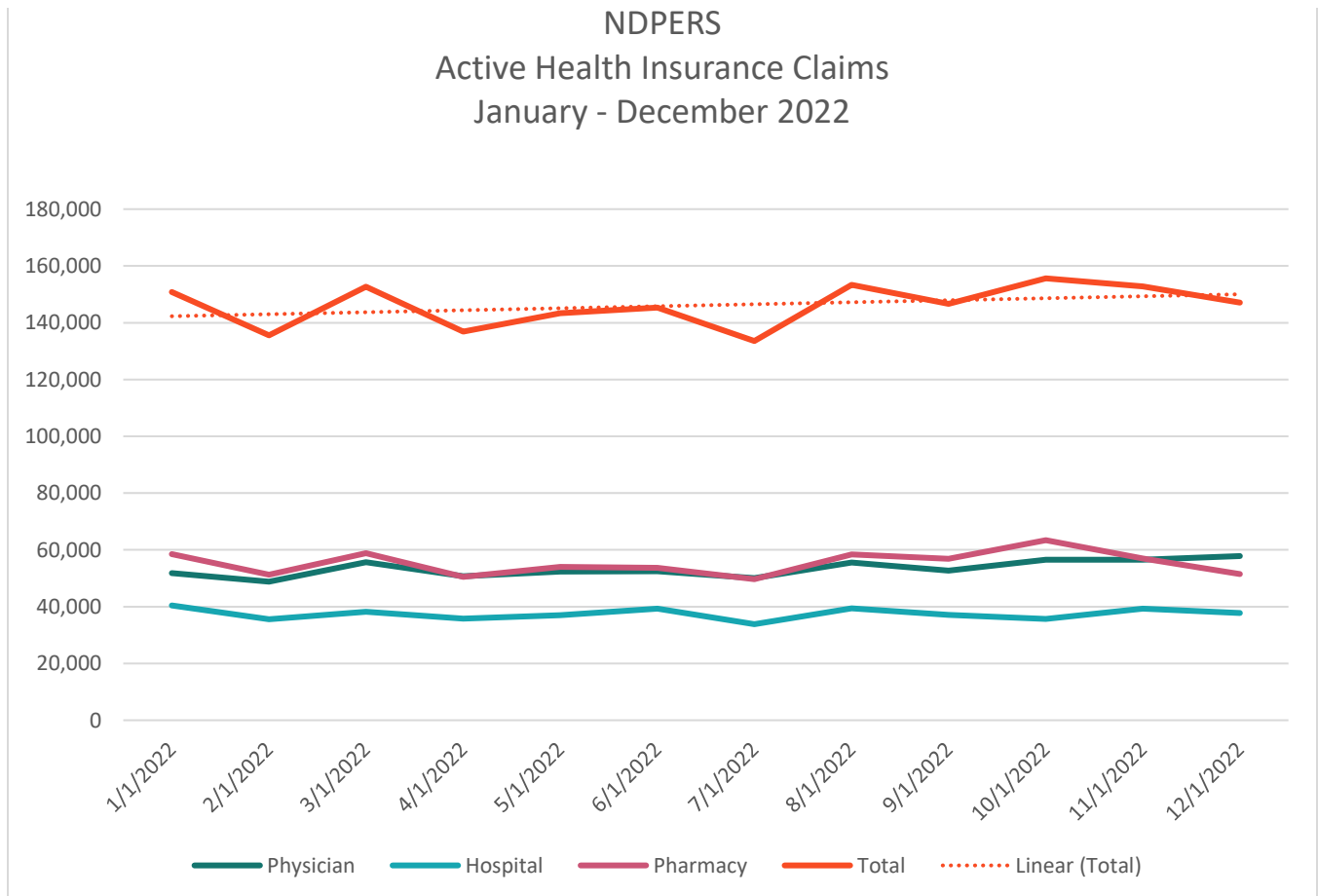
# Prescription Drugs

ND active employees incurred 641,022 pharmacy claims from January to December 2022. These claims amounted to \$78,806,793 in total charges. The NDPERS Health Plan paid \$70,783,653 toward these charges.

## PRESCRIPTION DRUGS UTILIZATION

FILL DATE: 01/2022 - 12/2022

	CLAIMS	%	CHARGES	PAID
<b>NON-GENERIC</b>	104,184	16	\$68,412,486	\$63,842,862
<b>GENERIC</b>	536,838	84	\$10,394,306	\$6,940,791
<b>TOTAL</b>	641,022	100	\$78,806,793	\$70,783,653

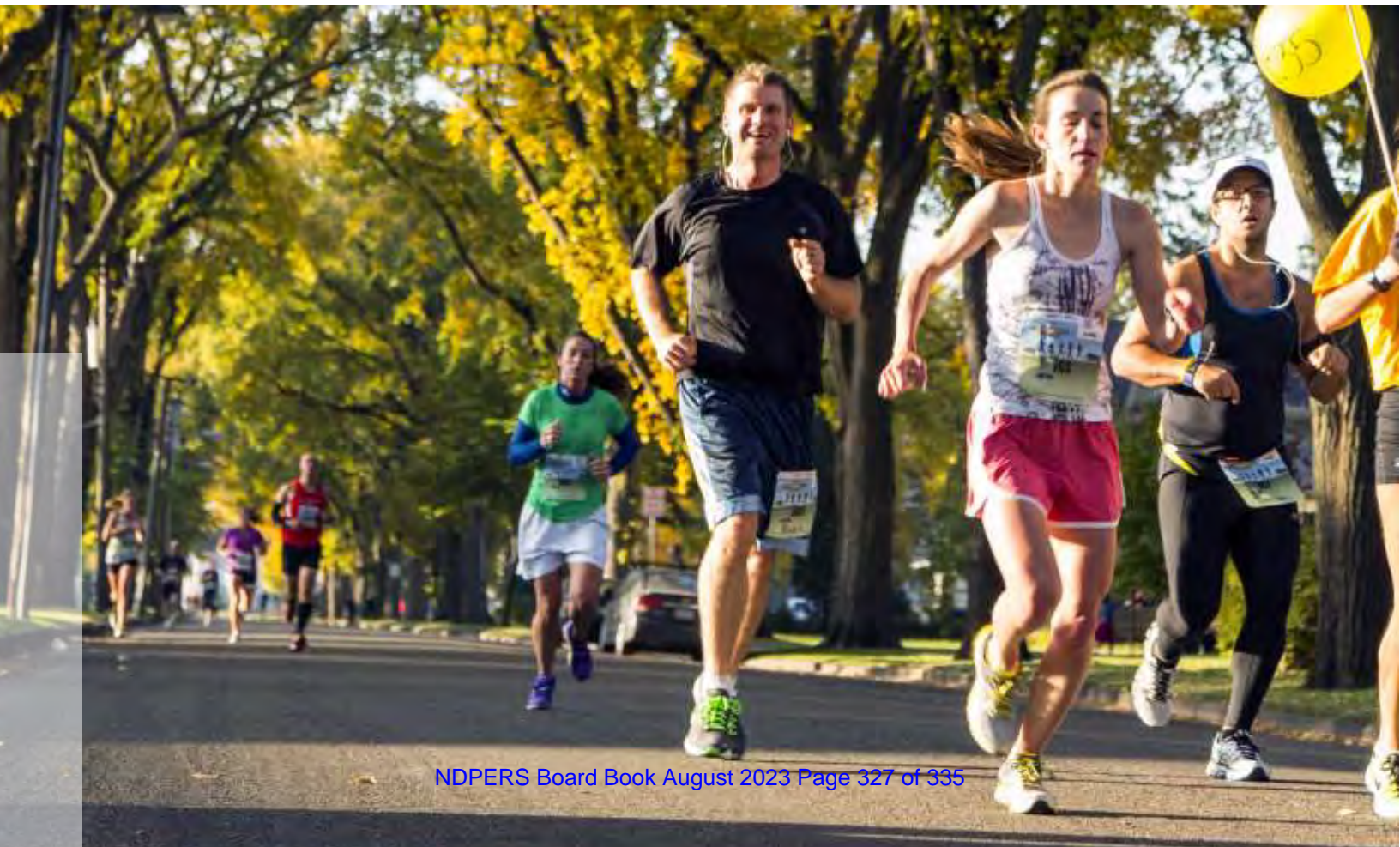


# Percentages

## EMPLOYEES, SPOUSES, & CHILDREN BY MEMBERSHIP & CLAIM TYPE

MEMBERSHIP DATE: 01/2022 - 12/2022

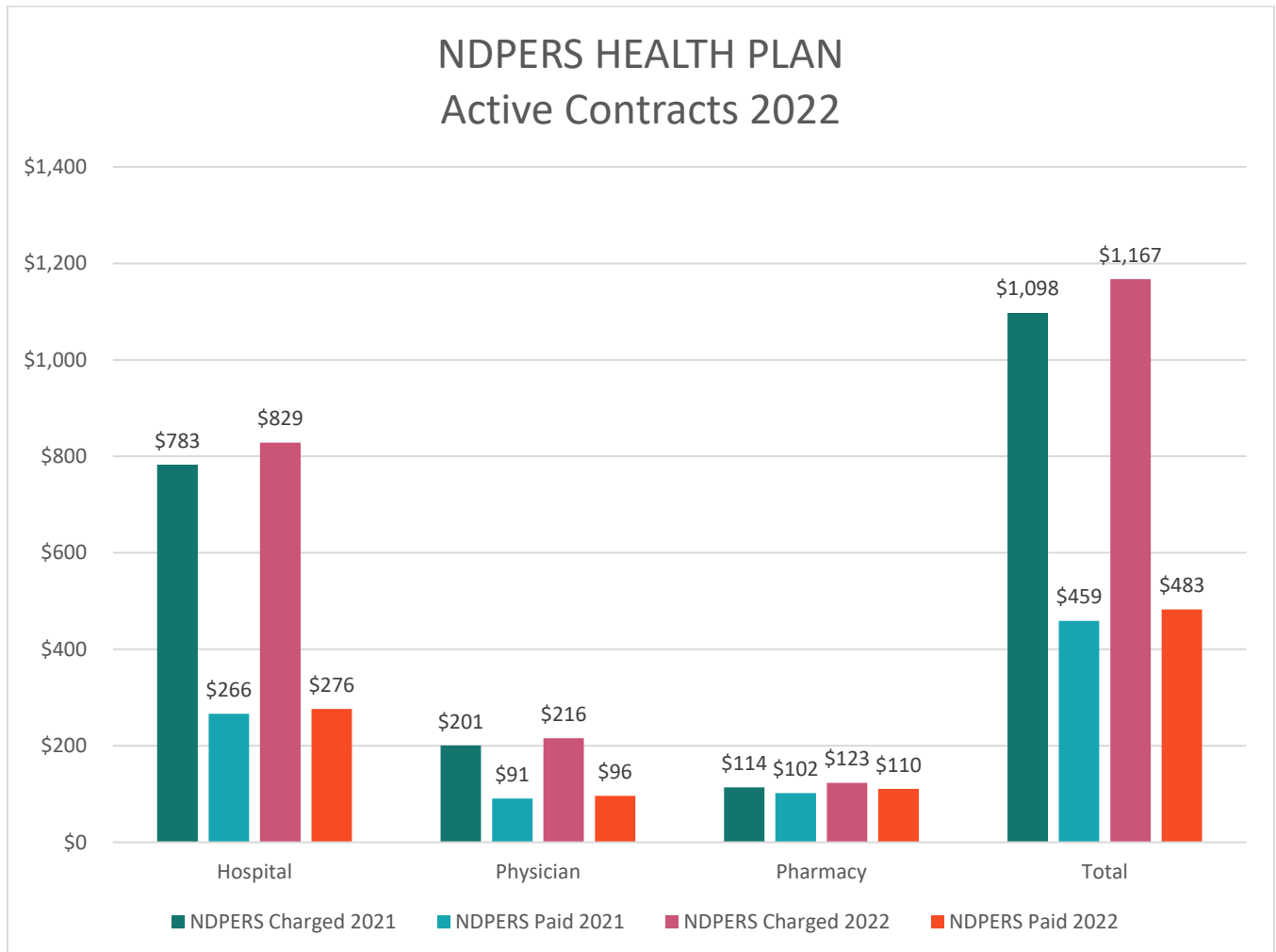
	MEMBERSHIP		HOSPITAL CLAIMS		PHYSICIAN SERVICES		PHARMACY CLAIMS	
	Sum	%	Sum	%	Sum	%	Sum	%
<b>CHILDREN</b>	19,666	40	98,851	22	343,426	30	124,608	19
<b>EMPLOYEE</b>	18,132	37	205,100	46	483,187	43	322,187	50
<b>SPOUSE</b>	11,352	23	145,391	32	301,330	27	194,227	30
<b>TOTAL</b>	49,150	100	449,342	100	1,127,943	100	641,022	100





# Summary

The following chart shows that the 2022 NDPERS per capita charged and paid claims were higher than in 2021.





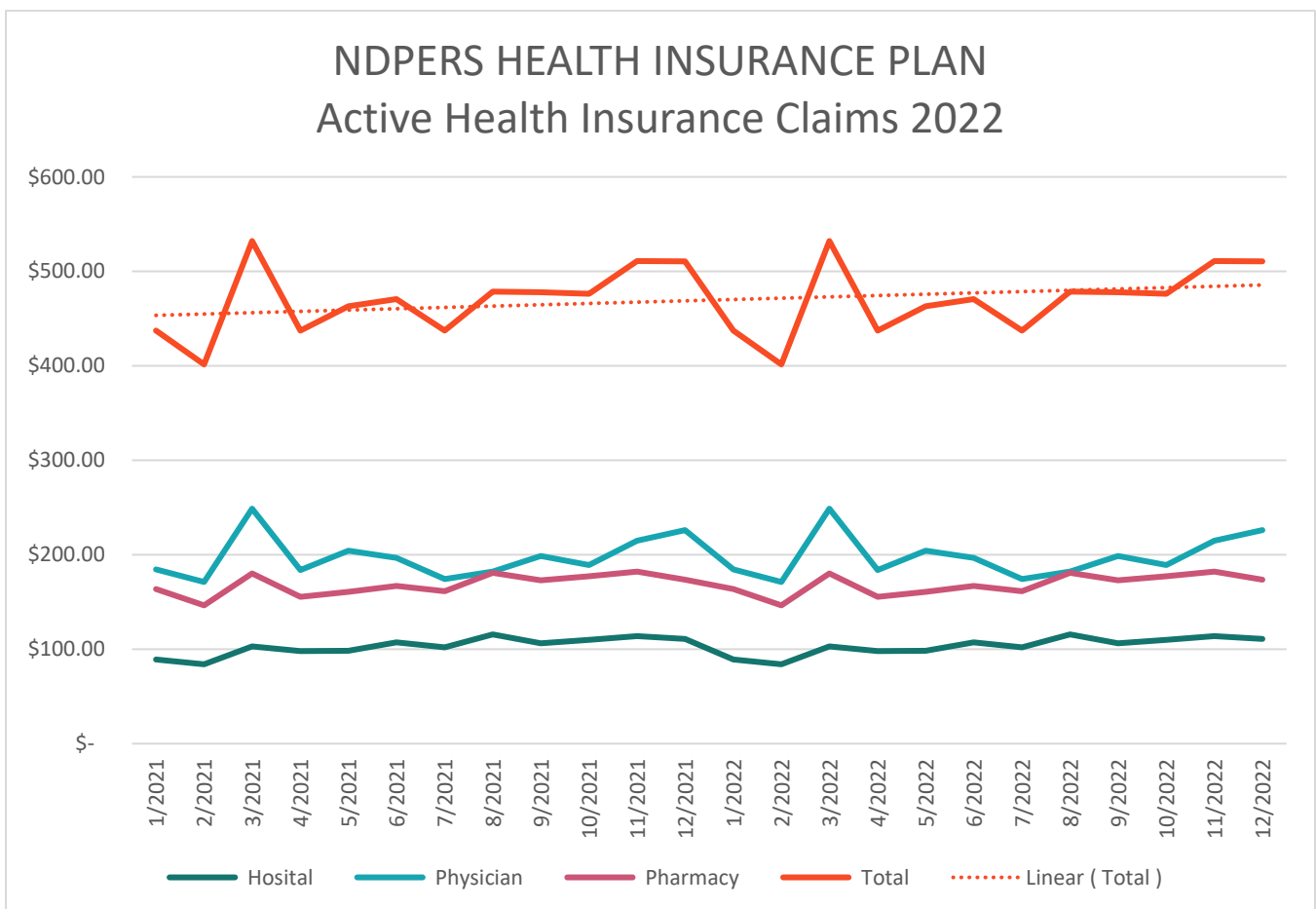
# At a Glance

## TOTAL NDPERS PLAN PARTICIPATION

This graph depicts the average amount the NDPERS Health Plan paid per member per month (per capita) in the last two years.

Active employees claims and services amount to \$637 per capita level. The cost for dependents of active employees in the Plan ranges at about \$443 per person per month. The retired membership's per capita costs are close to \$283 per retiree and \$201 per dependent.

Overall, this graph reflects the 2022 NDPERS health plan cost per person per month stands at \$472 per person per month vs \$457 in 2021. In addition to this, the NDPERS health plan currently pays \$43.37 per month per contract in administration costs.



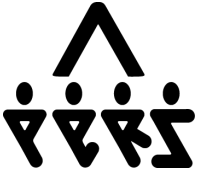


**ND Public Employees Retirement System**

1600 East Century Avenue, Suite 2 | PO Box 1657 | Bismarck, ND 58502-1657

P: 701.328.3900 | TF: 800.803.7377 | F: 701.328.3920

<https://www.ndpers.nd.gov/>



# Memorandum

**TO:** NDPERs Board  
**FROM:** Derrick Hohbein  
**DATE:** August 15, 2023  
**SUBJECT:** Budget Status

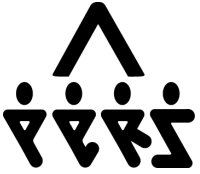
Twice a year staff provides the Board with an update on the status of the current budget and answers any questions or concerns the Board may have. The expenses for the biennium through June 30, 2023, as well as our total appropriation, are summarized in the table below:

	2021-2023 Appropriation	Expenditures to Date	Remaining Appropriation	% Remaining
Salaries & Wages	7,226,297	7,004,919	221,378	3%
Operating	2,500,736	2,342,057	158,679	6%
Capital Assets	257,600	257,600	-	0%
Contingency	250,000	-	250,000	100%
Total	10,234,633	9,604,576	630,057	6%

The biennium ended June 30, 2023.

Please let me know if you have any questions on the summary.

This is informational only.



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**Scott A. Miller**  
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# Memorandum

**TO:**                   NDPERS Board

**FROM:**               Scott Miller

**DATE:**               August 15, 2023

**SUBJECT:**           Contracts under \$10,000

Attached is a document that shows the contracts under \$10,000 that I have signed since the last update. Please let me know if you have any questions on any of these contracts.

This topic is informational only.

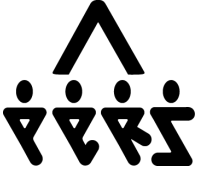
# Attachment

## Contracts Signed During 2023:

Vendor	Amount	Notes
NDIT	\$ -	Service Level Agreement (January 2023)
Spherion Staffing	~ \$7,200	Temporary Staffing for Admin Services
Marco	\$ 3,654.49	Replacement of North & Batch Printers
Inter Office	\$ 1,179.44	Chair
Central Services	\$ -	Staff authorization to pickup printed materials
Inter Office	\$ 280.00	Adjust height of workstation in scanning room
NDIT	\$ -	Service Level Agreement (June 2023)
Callan	\$ -	Recordkeeper RFP scope of work.

## Contracts Signed Since Last Reported:

Vendor	Amount	Notes
Inter Office	\$ 2,323.88	Chairs x 2
ND Safety Council	\$ 874.00	AED/CPR training for 19 staff



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# Memorandum

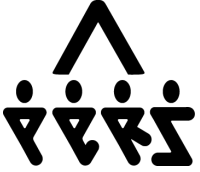
**TO:**                   NDPERS Board

**FROM:**               Scott

**DATE:**               August 15, 2023

**SUBJECT:**           Assurance NM Testing

Assurance NM is the State's emergency communication software. It is a way to get critical information out to all necessary parties without making individual contacts. All Board members' contact information is added to the system in the event we have an emergency and staff need to get in contact with the Board. We test this process twice a year to ensure all Board members get the messages we have sent.



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# Memorandum

**TO:**                   NDPERS Board

**FROM:**               Scott

**DATE:**               August 15, 2023

**SUBJECT:**           Litigation Update

This is a placeholder to provide the Board with an update on the litigation regarding the Board makeup.