



NORTH DAKOTA
PUBLIC EMPLOYEES
RETIREMENT SYSTEM

Board Meeting Agenda

Location: WSI Board Room, 1600 East Century Avenue, Bismarck ND
By phone: 701.328.0950 Conference ID: 233 235 012
Date: Tuesday, August 16, 2022
Time: 8:30 A.M.

I. MINUTES

- A. July 12, 2022

II. PRESENTATIONS

- A. Fiduciary Responsibility Presentation – Dean DePountis
- B. Sanford Health Plan Quarter 1 Executive Summary

III. GROUP INSURANCE

- A. Medicare Part D Renewal and RFP – Rebecca (Board Action)
- B. Sanford Health Plan Member Survey Results – Rebecca (Information)
- C. Health Insurance Renewal; Sanford Health Plan Renewal Presentation;
Closed Discussion – *Scott (Information, Executive Session)
- D. 2021 Active Health Care Report – Derrick (Information)

IV. DEFERRED COMPENSATION/DEFINED CONTRIBUTION

- A. Waddell & Reed Reporting – Scott (Board Action)
- B. TIAA Contract Amendment – Derrick (Board Action)
- C. Callan Contract Amendment – Derrick (Board Action)

V. MISCELLANEOUS

- A. Legislative Relations – Scott (Information)
- B. Legislative Update – Scott (Information)
- C. Code of Ethical Responsibility – Scott (Board Action)
- D. Assurance NM Testing – Derrick (Information)

*Executive Session pursuant to N.D.C.C. § 44-04-19.1(9) and § 44-04-19.2 to discuss negotiating strategy or provide negotiating instructions to its attorney or other negotiator.



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Memorandum

TO: NDPERS Board

FROM: Scott

DATE: August 16, 2022

SUBJECT: Fiduciary Responsibility Presentation

Dean DePountis will provide the Board with its annual education on fiduciary responsibility at this Board meeting.



Fiduciary Responsibility

Dean DePountis

August 2022

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Terminology

- **Trust**
 - A legal entity created by a grantor for the benefit of designated beneficiaries.
- **Grantor, aka settlor, funder, trustor, or sponsor**
 - Creates and establishes the terms of the trust.
- **Beneficiaries**
 - Those who benefit from the trust.
- **Trustees**
 - Those who oversee asset management and benefit distributions in accordance with the plan documents.
 - Trustees are fiduciaries.
- **Plan documents**
 - Memorialize the intent of grantor.

Trust, sponsor, and beneficiaries

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.”

N.D.C.C. 54-52-02

Retirement plans are the trust; North Dakota is the sponsor; and employees are beneficiaries.

Trustee

“A state agency is hereby created to constitute the governing authority of the system to consist of a board of nine individuals known as the retirement board.”

N.D.C.C. 54-52-03

“The board shall adopt rules necessary to implement this chapter, and to manage the system, subject to the limitations of this chapter.”

N.D.C.C. 54-52-04

The Board is the trustee.

Plan Documents

- Statute: North Dakota Century Code chapters 39-03.1, 54-52, 54-52.1, 54-52.2, 54-52.3, 54-52.6;
- Administrative Rules Title 71;
- Policies;
- Internal Revenue Code section 401(a) – Applicable to governmental plans.

What is a fiduciary?

A fiduciary is a person, “who occupies a position of such power and confidence with regard to the property of another that the law requires him to act solely in the interest of the person whom he represents.... [T]hey may be contrasted with persons in an ordinary business relationship, in which each party is free to seek purely personal benefits from his transactions with the other.”

Encyclopedia Britannica

What is a fiduciary?

A fiduciary is one who is required to act for the benefit of another, in good faith, trust, confidence, and candor - exercising a high standard of care in managing another's money or property.

Black's Law Dictionary (Eighth Edition)

Who is a fiduciary?

- Agents, executors and administrators, trustees, guardians, and officers of corporations are fiduciaries;
- Accountants, attorneys, and bankers are fiduciaries;
- NDPERS Board members are fiduciaries.
- Fiduciaries are charged with fiduciary duty.

Fiduciary Duty

- Fiduciary responsibility has been called the most important duty imposed by law.
- Fiduciary law has a long history: recognized in Roman law, British common law, American common law, and developed by courts over hundreds of years.
- ERISA (1974), a federal law, clarified trust law as it applied to private sector pension funds.
- Although ERISA does not apply to public pension funds, it provides best practices that inform public pension fund fiduciary behavior.

Fiduciary Responsibilities

The legal duties imposed on fiduciaries generally include the duty of loyalty and the duty of care.

N.D.C.C. § 47-36-14

Duty of Loyalty

“Many forms of conduct permissible in a workaday world for those acting at arm's length, are forbidden to those bound by fiduciary ties. A trustee is held to something stricter than the morals of the marketplace. Not honesty alone, but the punctilio [i.e., a careful observance] of an honor the most sensitive, is then the standard of behavior. As to this there has developed a tradition that is unbending and inveterate. Uncompromising rigidity has been the attitude of courts of equity when petitioned to undermine the rule of undivided loyalty by the 'disintegrating erosion' of particular exceptions. Only thus has the level of conduct for fiduciaries been kept at a level higher than that trodden by the crowd.”

Justice Benjamin N. Cardozo, Supreme Court

Duty of Loyalty

- The duty of loyalty means the fiduciary acts solely in the interest of the beneficiaries. N.D.C.C. § 59-16-02
- “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

Conflicts of Interest

- The standards concerning conflicts of interest originate from the common law duty of loyalty. The question is: which hat am I wearing?
- Dealing with conflicts:
 - **Avoid** conflicts of interest;
 - **Disclose** unavoidable conflicts of interest;
 - **Mitigate** conflicts of interest;
 - Adopt and follow a Code of Ethics that defines standards of conduct.

Duty of Prudence

- Requires that fiduciaries discharge their duties in good faith with the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims. N.D.C.C. § 59-21-02
- Requires conscientious processes in all decision-making by:
 - Understanding the facts
 - Investigating the options
 - Seeking expert advice and questioning those experts if their advice is not clear
- The law requires process more than outcome and prudence rather than perfection.

Duty to Follow the Law and Plan Docs

- Fiduciaries have a duty to administer the plan in a fair and impartial manner.
- In doing so, they must consider:
 - Plan provisions
 - Statutes, rules, and ordinances
 - Federal laws
 - Legal opinions
 - Common law concepts

Fiduciary Liability

- Fiduciary liability means personal liability for losses
 - Restoration of profits
 - Additional civil penalties and/or injunctions
 - Potential criminal penalties for willful violations
- Co-Fiduciary Liability
 - Knowledge of another fiduciary's breach coupled with inaction is a breach of fiduciary duty
 - Courts have held that fiduciaries have a duty to speak up and try to prevent or remedy the breach

Mitigating Fiduciary Risk

- ✓ 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

Still More Fiduciary Risk Mitigation

- ✓ Become familiar with the qualifications and reputation of the key service providers
- ✓ Verify service provider contracts provide for indemnification
- ✓ Read the law, rules, regulations and key policy documents governing the plan
- ✓ Require transparency and accountability
 - Benchmark operations to best practices
 - Conduct board self-evaluations
 - Adopt a culture of good governance and high ethical standards

Almost Done with Fiduciary Risk Mitigation

- ✓ Diligently prepare for and attend all board and committee meetings
- ✓ Establish an internal control framework, including an Audit Committee
- ✓ Review on a regular basis the efficiency and effectiveness of the system's success in meeting its goals
- ✓ Conduct an annual Board self-assessment

Summary

- Fulfill Duty of Loyalty
- Effect Duty of Prudence
- Follow Plan Documents
- Act in good faith in the best interest of plan participants and beneficiaries
- When in doubt, seek the advice of experts
- Maintain independence and objectivity by avoiding conflicts of interest



Thank
you!

T



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Memorandum

TO: NDPERS Board

FROM: Rebecca

DATE: August 16, 2022

SUBJECT: SHP 2022 Quarter 1 Executive Summary

Sanford Health Plan (SHP) will be at the meeting to review the 2022 Quarter 1 Executive Summary (Attachment 1) and answer any questions you may have.

In addition, Attachment 2 is being provided as a summary comparison of the Quarter 1 2022 Medicare Part D summary by Humana to the Quarter 1 2021 summary, which was provided by the previous Medicare Part D vendor, Express Scripts Incorporated (ESI).

Representatives from Sanford Health Plan and Humana will be available to answer questions you may have. This item is informational and does not require any action by the Board.

NDPERS Executive Summary



Quarter 1 | 2022

Presented August 2022



SANFORD
HEALTH PLAN

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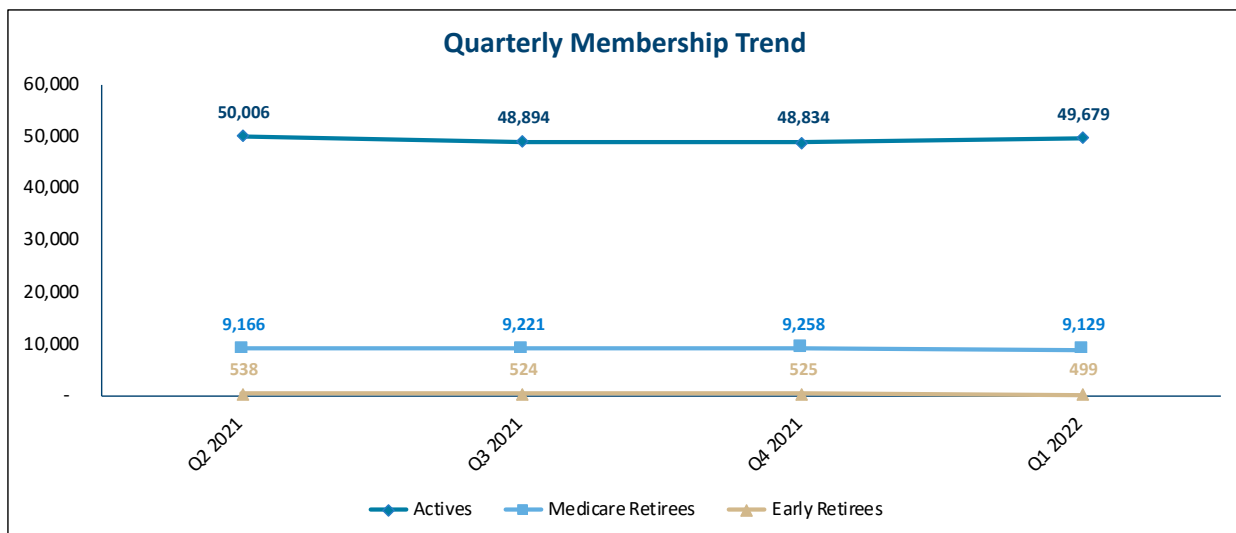
Performance Standards & Guarantees 2021-2023

ANNUAL MEMBERSHIP SUMMARY

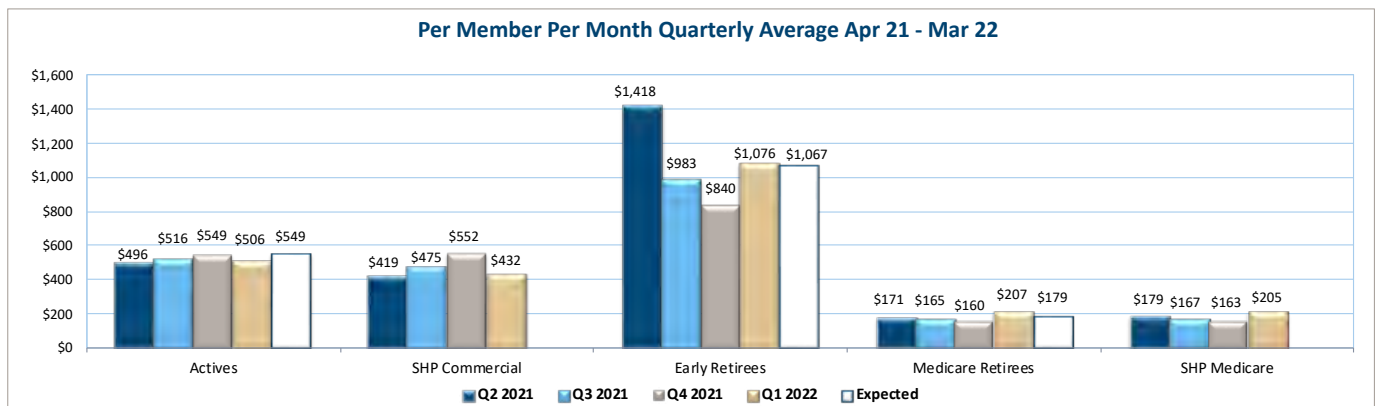
Summary

MEMBERSHIP COMPARISON						PERCENT CHANGE
	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Q1 2022	Q1 2021 - Q1 2022
Actives	50,121	50,006	48,894	48,834	49,679	-0.9%
Medicare Retirees	9,146	9,166	9,221	9,258	9,129	-0.2%
Early Retirees	563	538	524	525	499	-11.3%

MEMBERSHIP TREND



PMPM SUMMARY



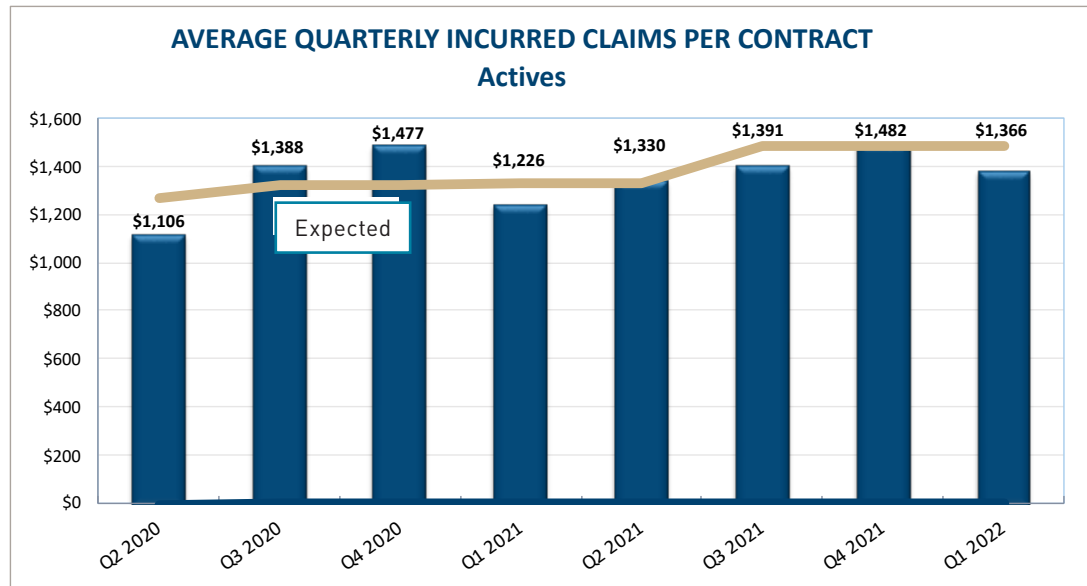
*Incurred between April 1, 2021 and March 31, 2022. Includes IBNR for April 1, 2021 through March 31, 2022, as of May 31, 2022.

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

*Expected is April 1, 2021 - March 31, 2022.

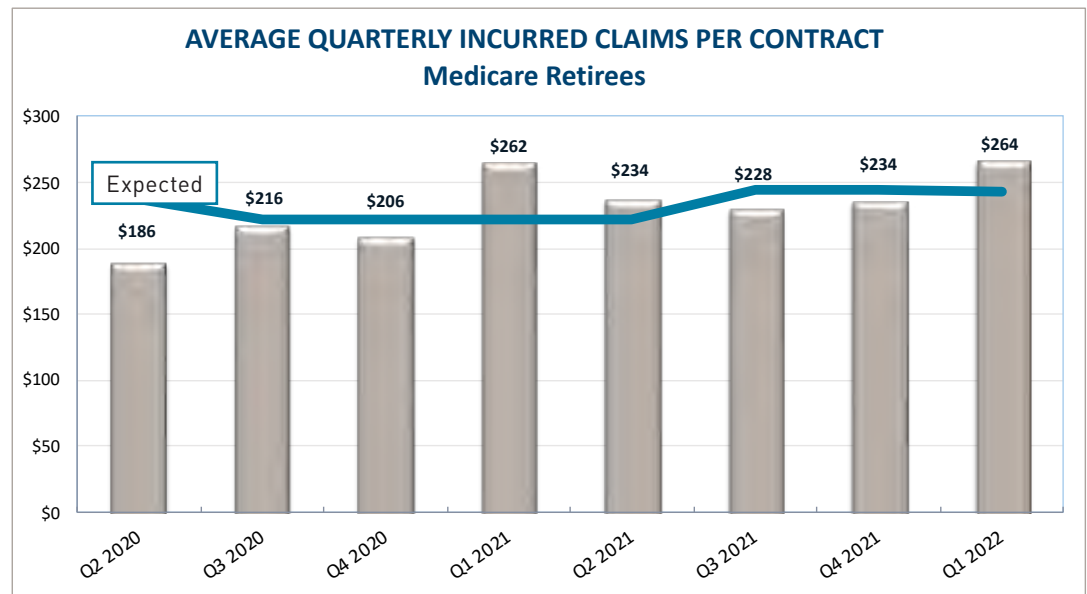
Claims
Analysis

PAID CLAIMS PER CONTRACT PER MONTH



*Incurred between April 1, 2021 and March 31, 2022. Includes IBNR for April 1, 2021 through March 31, 2022, as of May 31, 2022.

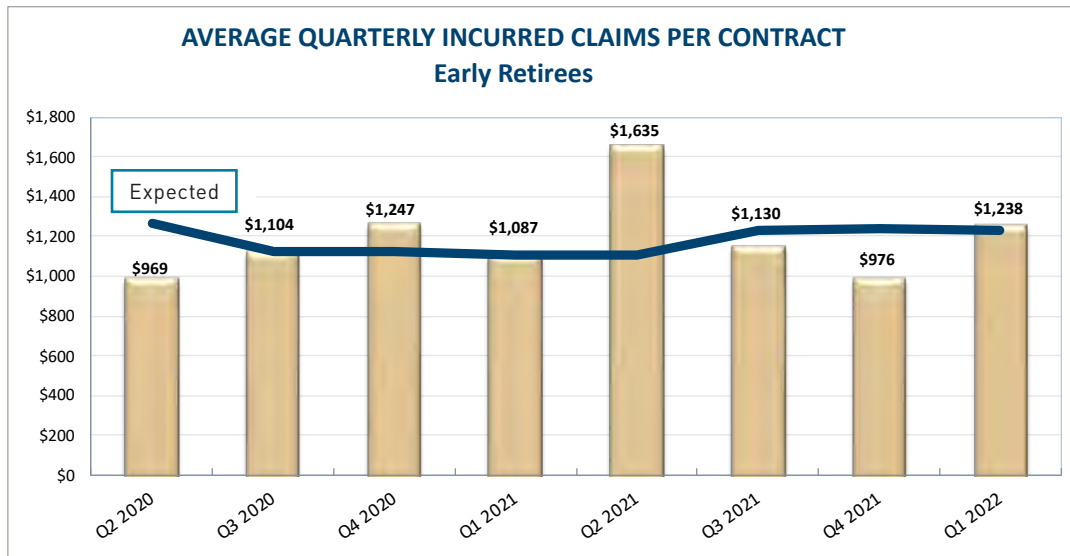
*NDPERS Active contracts have approximately 2.70 members per contract.



*Incurred between April 1, 2021 and March 31, 2022. Includes IBNR for April 1, 2021 through March 31, 2022, as of May 31, 2022.

*NDPERS Medicare Retirees contracts have approximately 1.36 members per contract.

PAID CLAIMS PER CONTRACT PER MONTH

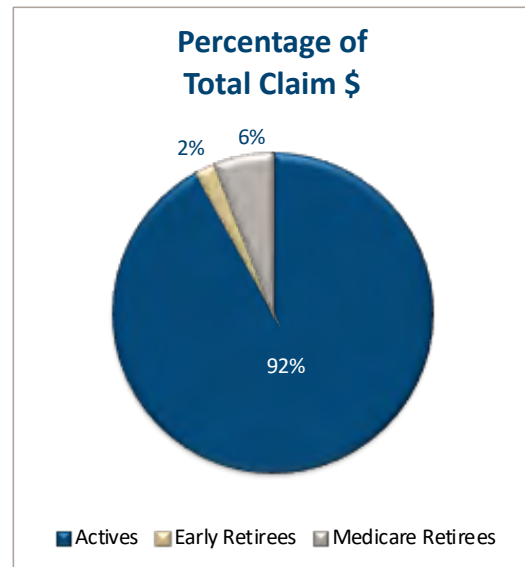
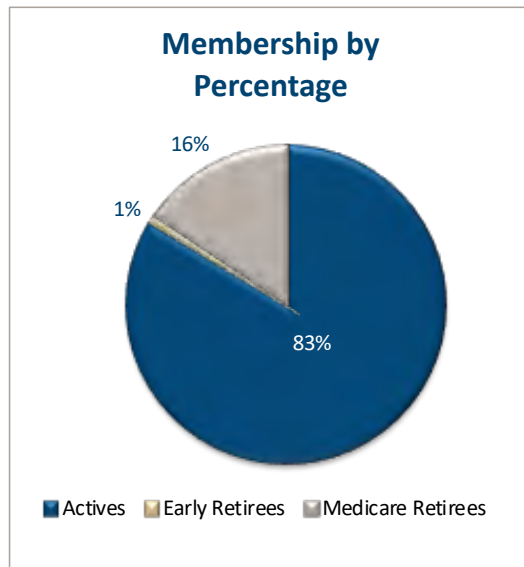
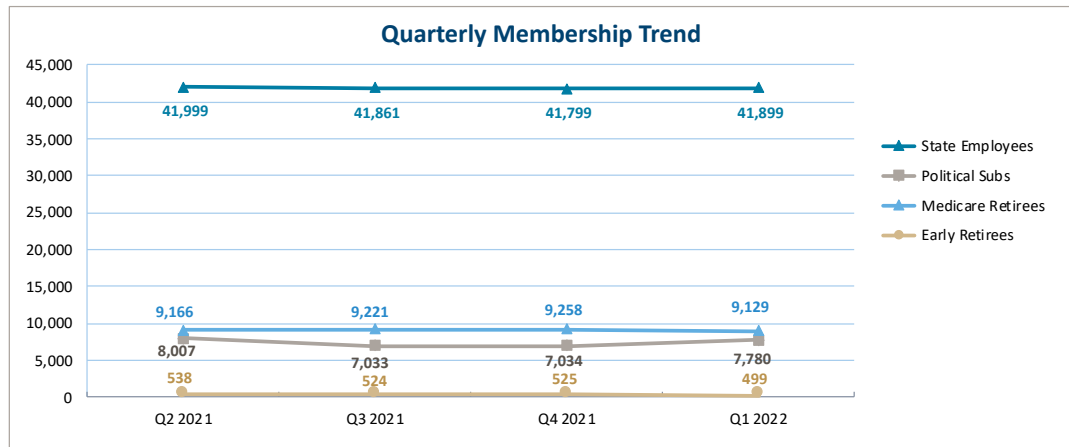
Claims
Analysis

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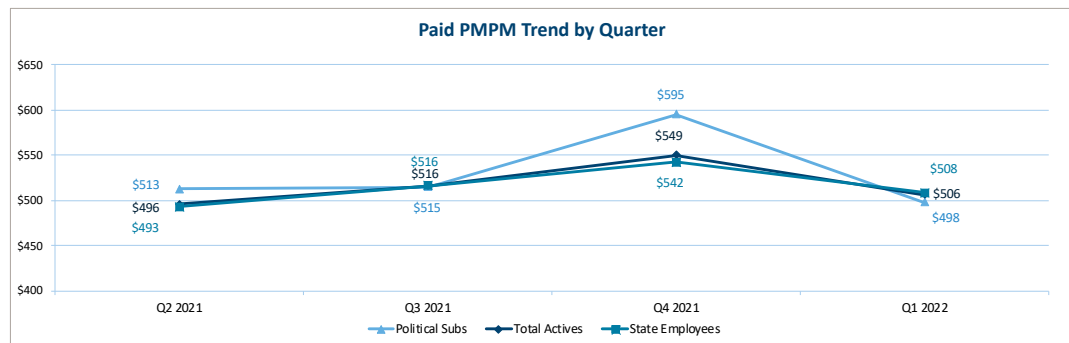
*NDPERS Early Retirees contracts have approximately 1.15 members per contract.

Membership
& Utilization

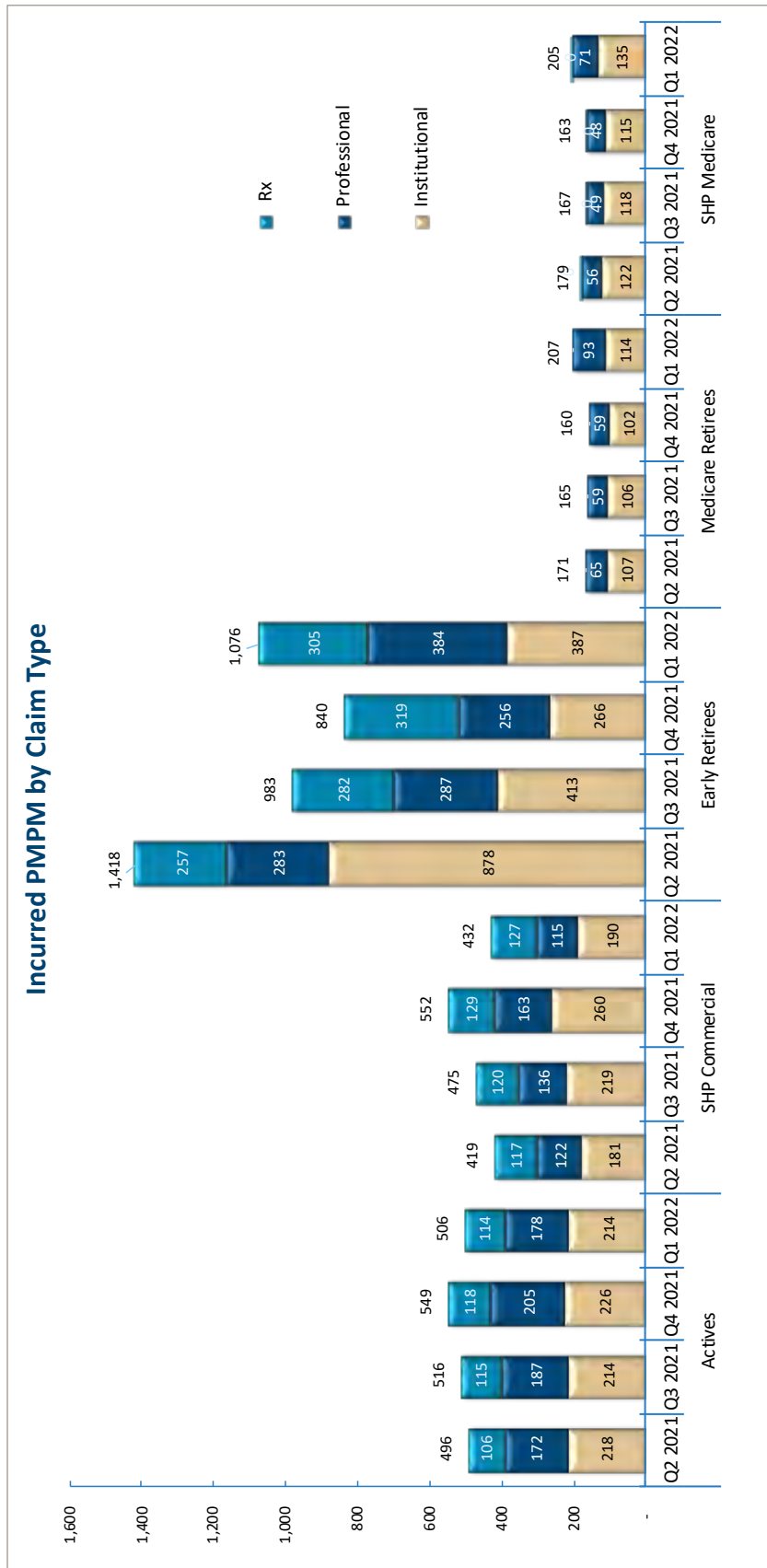
MEMBERSHIP PERCENTAGE



PAID PMPM TREND BY QUARTER



*Incurred between April 1, 2021 and March 31, 2022. Includes IBNR for April 1, 2021 through March 31, 2022, as of May 31, 2022.

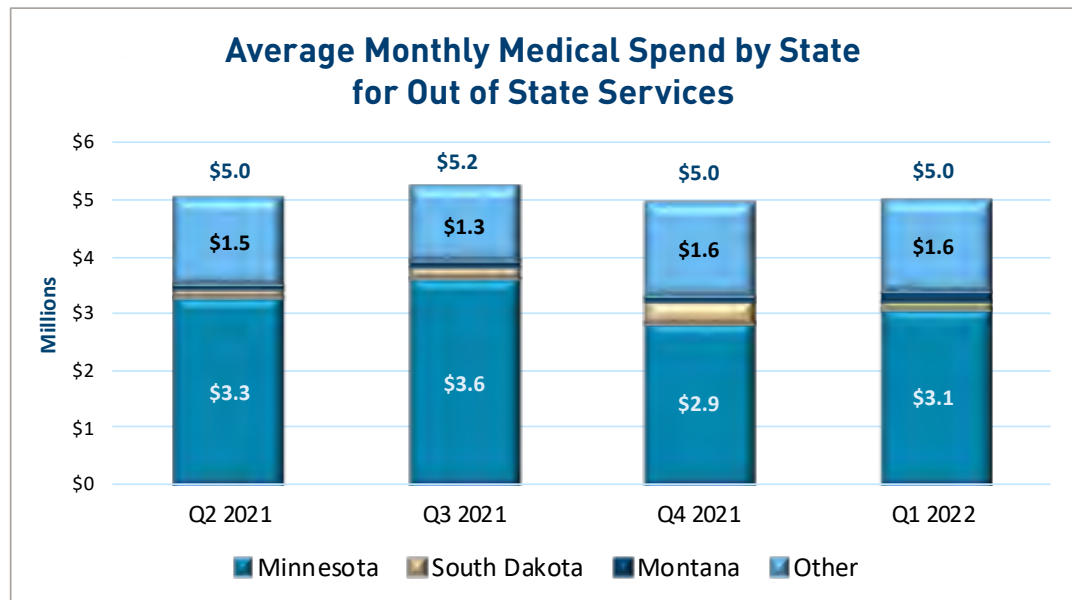
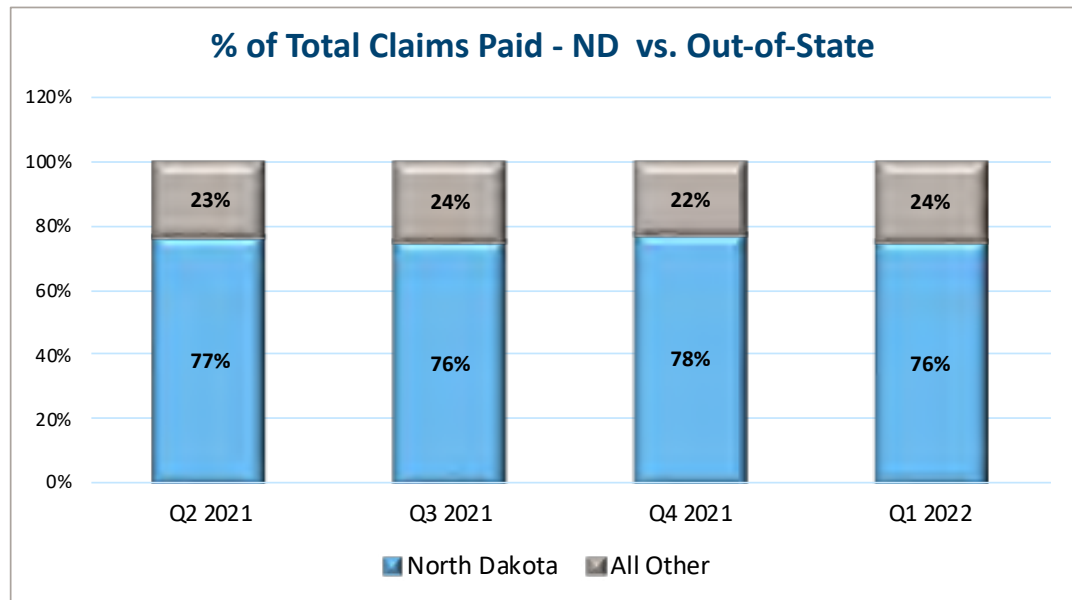


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Membership
& Utilization

Membership & Utilization

PAID CLAIMS BY STATE



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

* Does Not include IBNR

MEMBER RISK PROFILE & UTILIZATION

Membership
& Utilization

	NDPERS	SHP Commercial
Average Age	34	33
% Male (Current)	49	46
Average Care Gap Index	1.03	0.75
Inpatient Days Per 1000	212	253
Total Admissions Per 1000	51	64
ER Visits Per 1000	190	170
Total Office Visits Per 1000	4,094	3,954
Pharmacy Scripts Per 1000	8,828	8,908

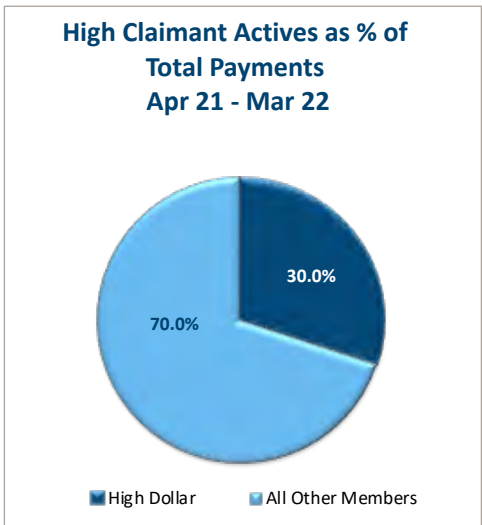
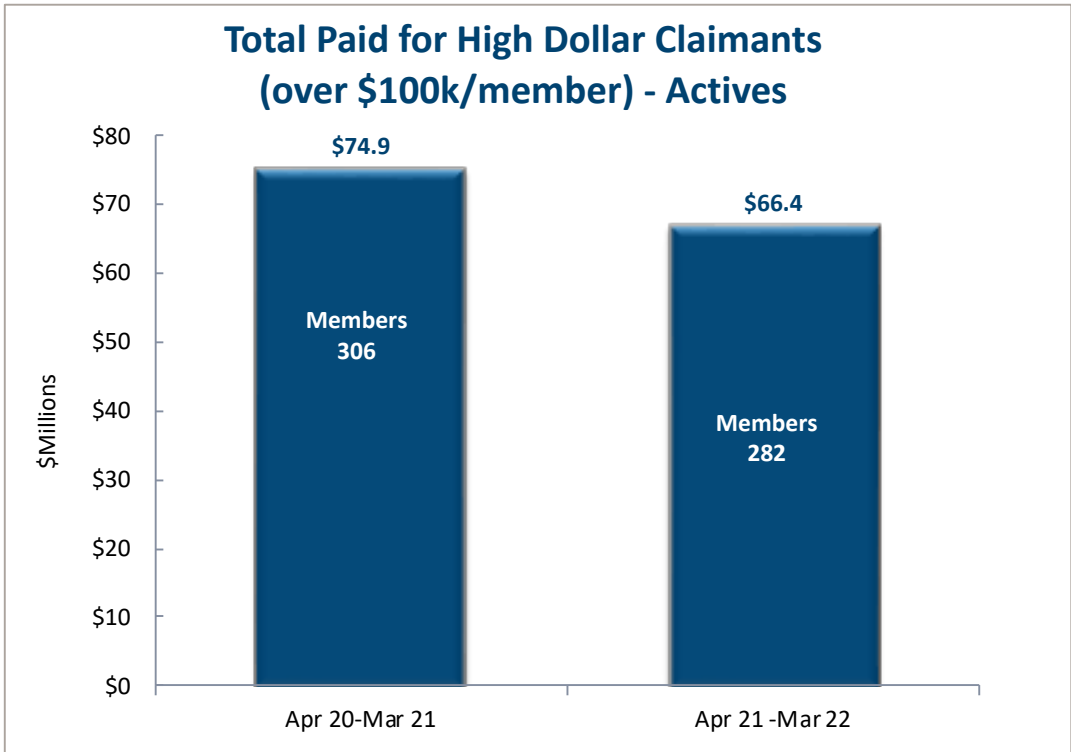
*Incurred between April 1, 2021 and March 31, 2022.

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

*NDPERS includes Political subdivisions, Early (Pre-Medicare) Retirees and State employees.

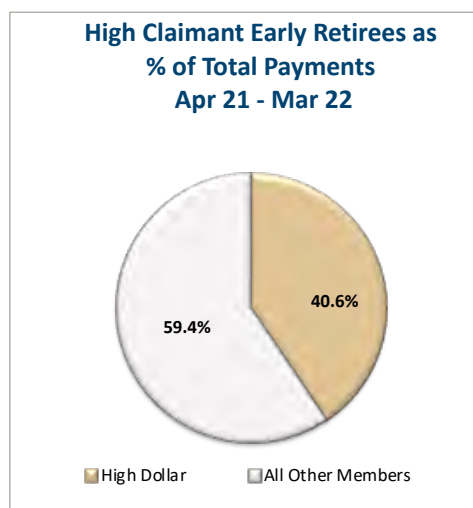
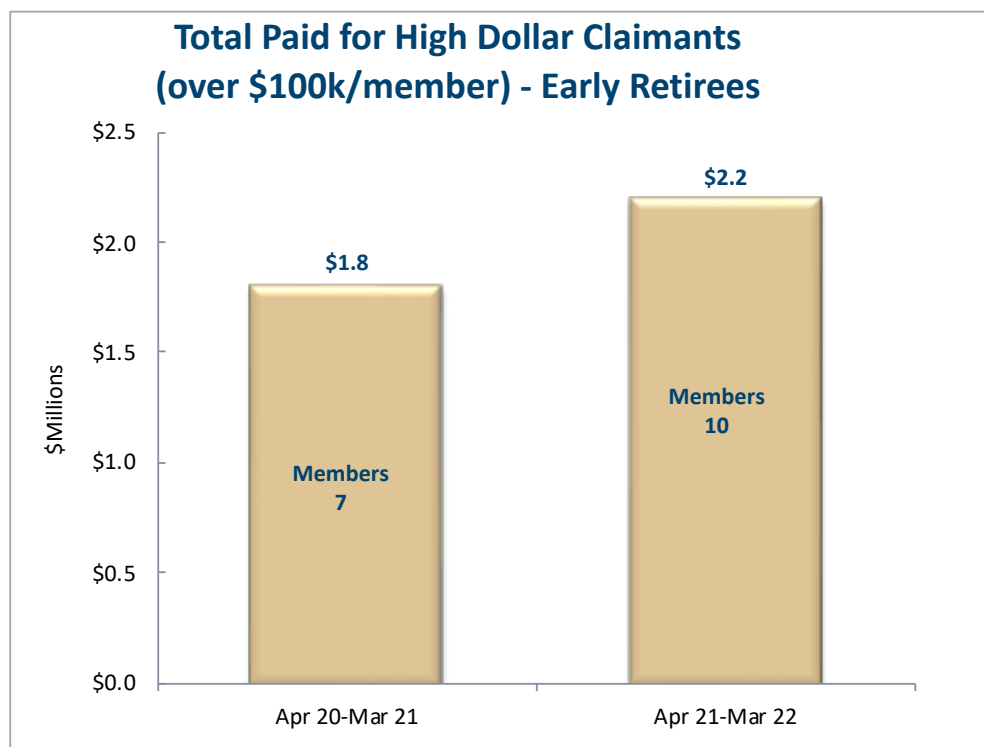
High Dollar
Cases

ACTIVES



Avg. Paid/Claimant	\$235,634
% of Total Payments	30.0%

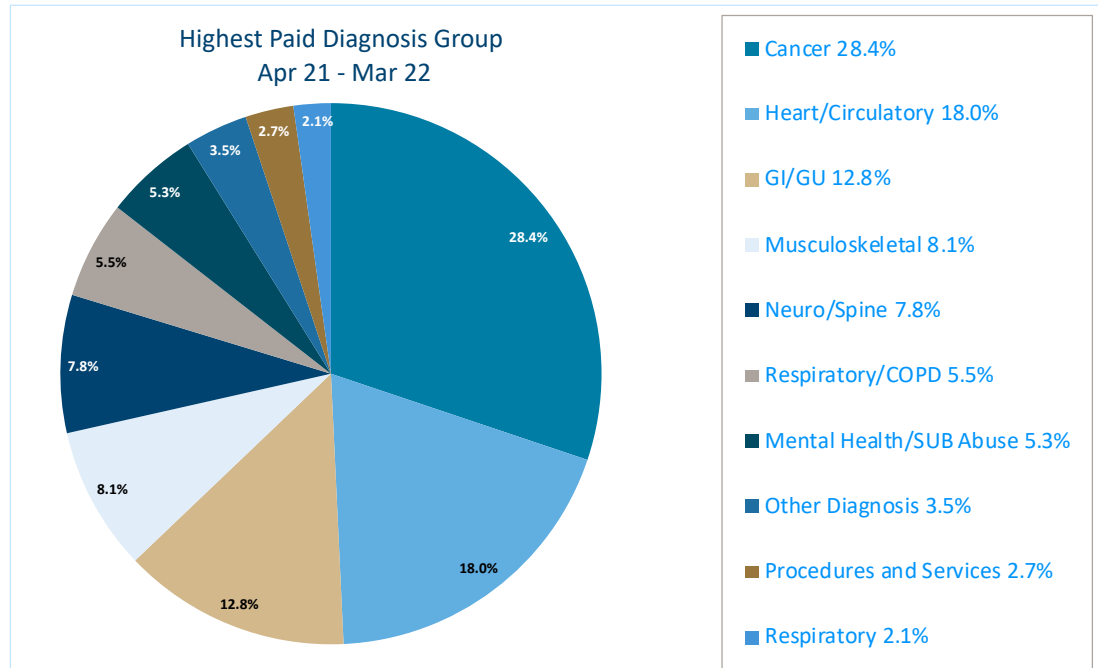
EARLY RETIREES

High Dollar
Cases

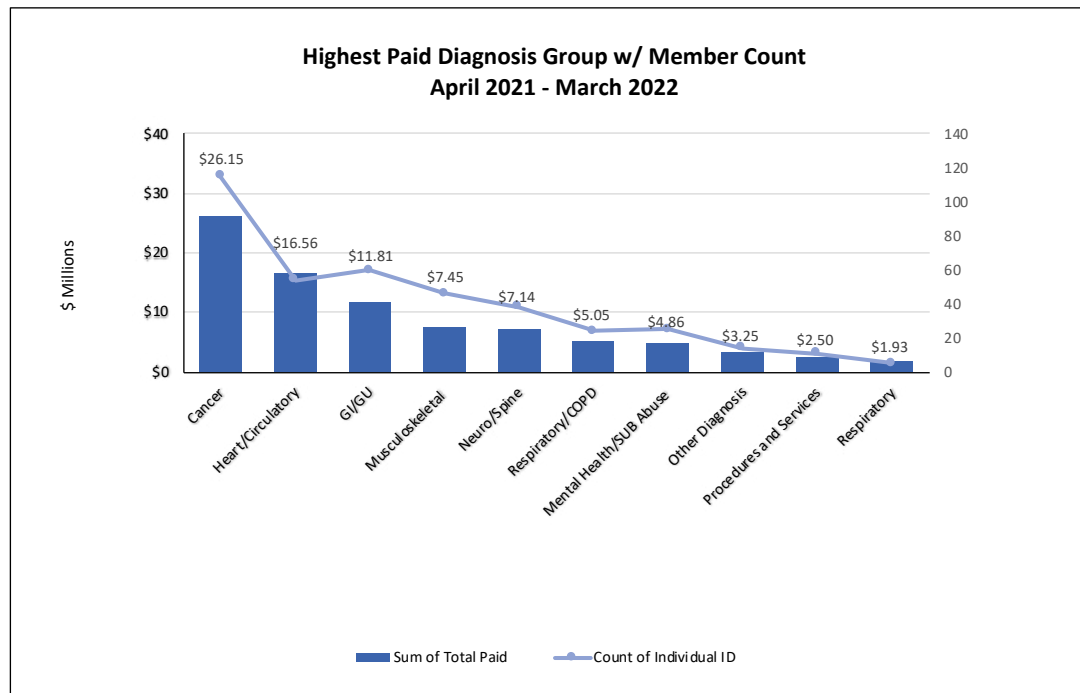
Avg. Paid/Claimant	\$218,935
% of Total Payments	40.6%

High Dollar Cases

PRIMARY DIAGNOSIS



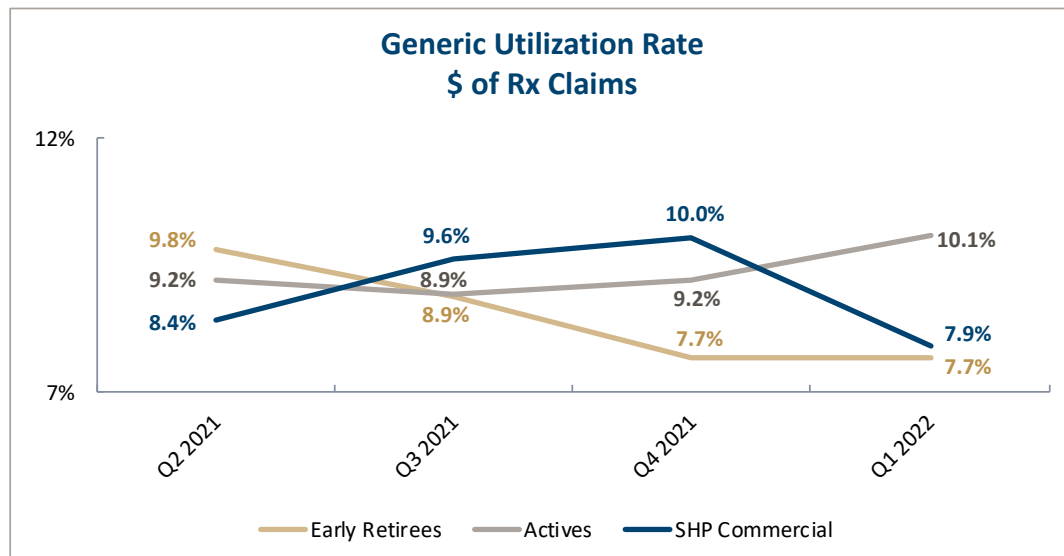
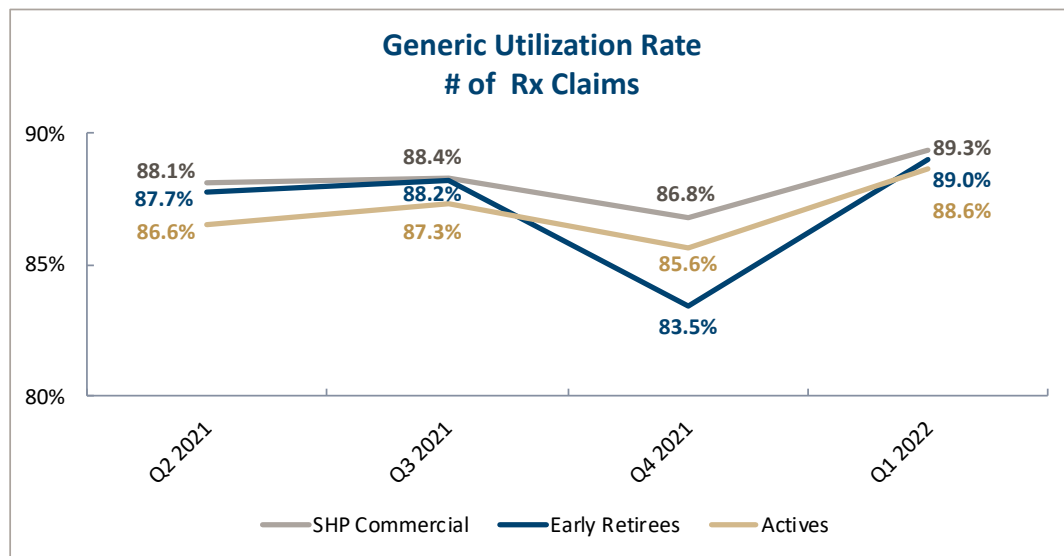
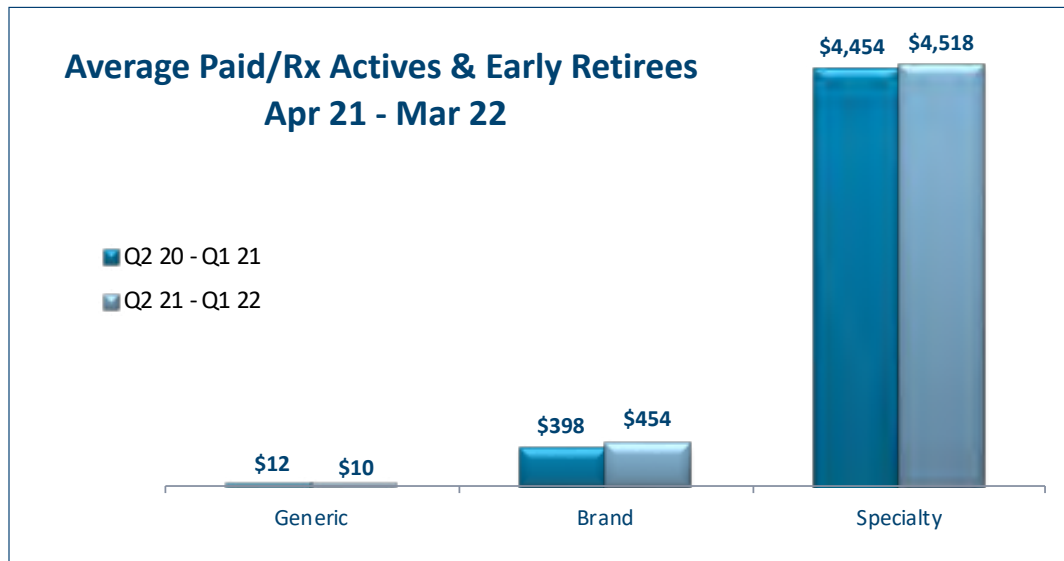
*The remaining 5.8% represent 4 diagnosis groups accounting for less than 2% each.



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

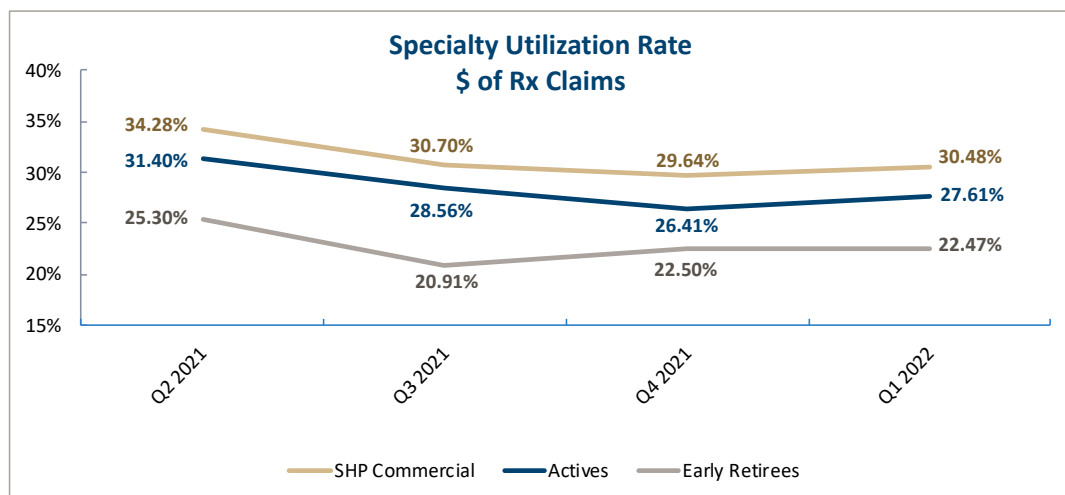
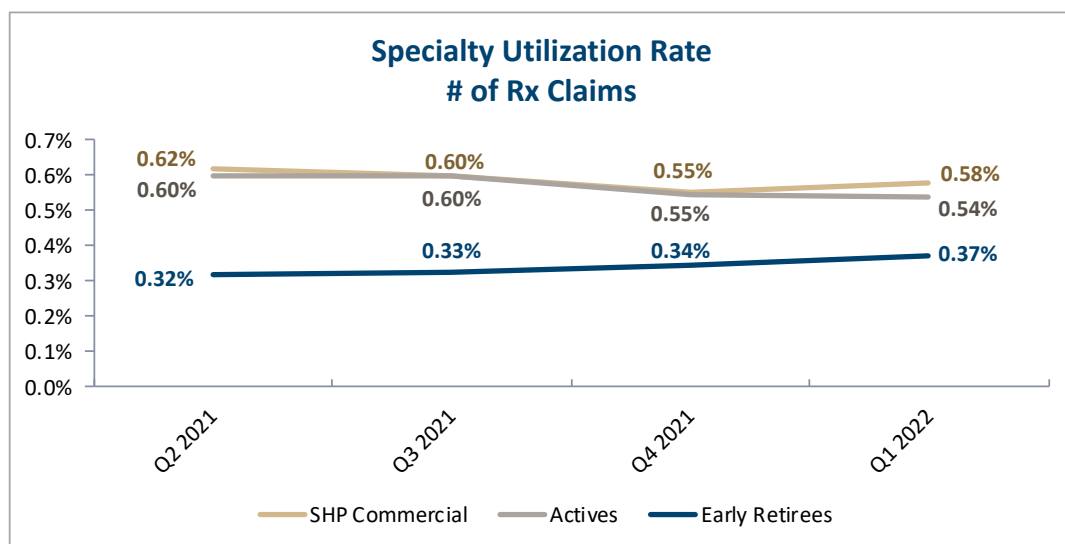
GENERIC UTILIZATION

Prescription
Drugs

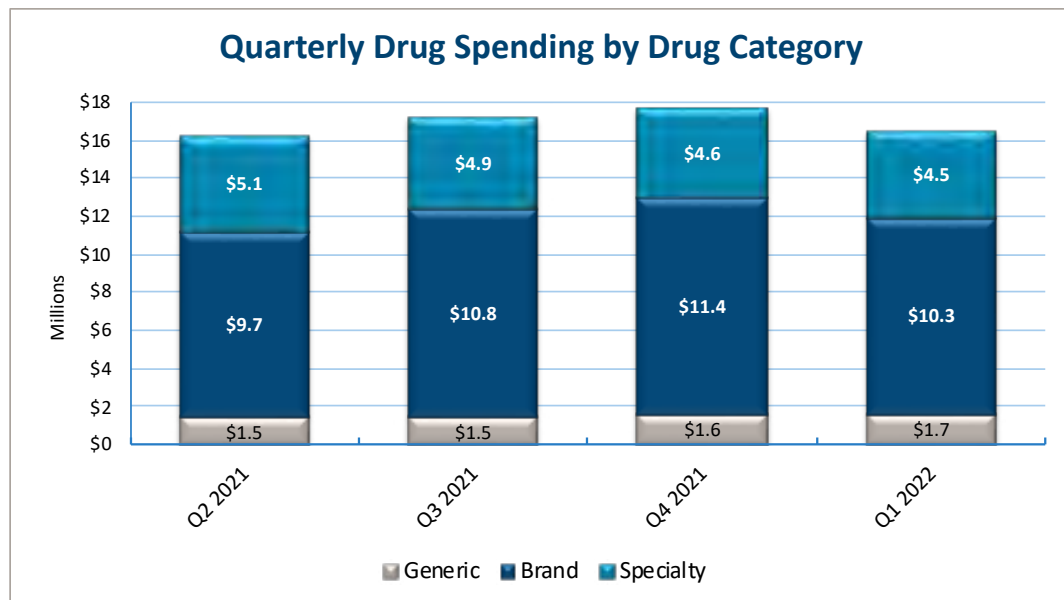


Prescription
Drugs

SPECIALTY PHARMACY

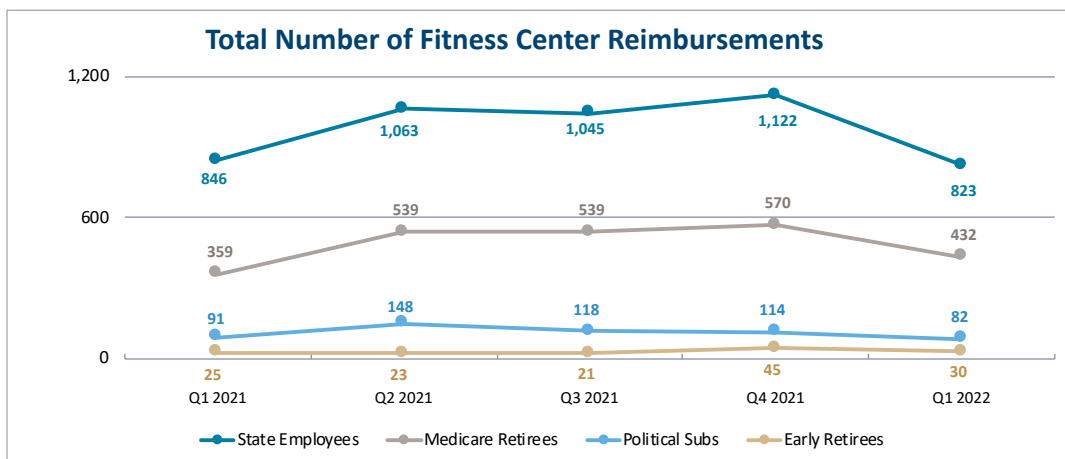


PHARMACY

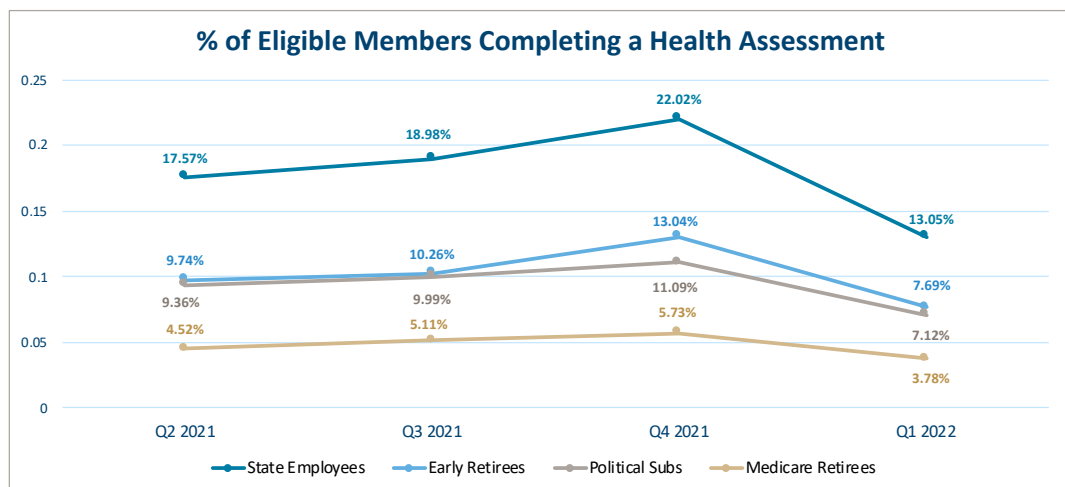
Prescription
Drugs

Dakota Wellness Program

FITNESS CENTER REIMBURSEMENT



HEALTH ASSESSMENT



LIFESTYLE MEDICINE PROGRAMS

Dakota
Wellness
Program



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.

2022 NDPERS Q1 Participants: 28

Total NDPERS Participants that have completed the program: **42**

Outcomes among all program graduates

- ↓ **5%** decrease in BMI (39.79 to 37.75) in graduates with a diabetes diagnosis
- ↑ Graduates increased their physical activity by **83%** on average
- ↓ Of the type 2 diabetes participants, members dropped their average blood glucose by **57 points** from 185 to 128



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.

Pre Program Cardiovascular Minutes (N=319)	6 Month Post Program Cardiovascular Minutes (N=122)
Average 66 minutes per week	Average 136 minutes per week
106% Average increase in cardiovascular exercise minutes post program completion	

49

Completed the full program



Diabetes Prevention Program (DPP)

All in-person co-horts have wrapped up, and the program is now being offered virtually with a wireless scale being sent to participants due to Covid.

Weight loss %	Number of Participants	Reduced Disease Risk
4.84%	245	54%

Dakota Wellness Program

MONTHLY WELLNESS THEMES

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



Dakota Wellness Program

Social well-being

Many people feel alone even though they are surrounded by family, co-workers or classmates and acquaintances. When asked what we value the most in life — many will point out experiences and connection with family and friends. But human connection has lost value — we can blame it on technology or a pandemic — but many simply feel they don't have the time. Fostering connection in small and larger ways is important for your overall health.

CREATE CONNECTIONS

- Acknowledge through a smile in the hallway or with eye contact
- Use technology in a smart way — as a point that leads to a face-to-face interaction

THOUGHTFUL INTERACTIONS

- Be focused and present — no phones allowed
- Discuss what you have in common with co-workers or classmates like hobbies or interests

Learn more in the Dakota Wellness Program Newsletter.

NDPERS 2022 Nov 10/21

SANFORD HEALTH PLAN



Dakota Wellness Program

Plant-based eating

Growing in popularity is a plant-forward diet known as the Mediterranean diet or what is more so a Mediterranean style of eating. The diet focuses on foods that are available locally in this region of the world where there is a lack of chronic health conditions and many centenarians.


How do I get started with a plant-based diet?

- Plan one meatless meal per week or day
- Fill half your plate with fruits and vegetables
- Incorporate locally produced plant-based foods to support your farming community
- Choose whole grains for breakfast
- Snack on nuts and seeds

Learn more in the Dakota Wellness Program Newsletter.

NDPERS 2022 Nov 10/21

SANFORD HEALTH PLAN



Dakota Wellness Program

Emotional spending

Emotional spending is when you purchase unnecessary items to soothe your emotions. This type of spending often stems from feelings of stress or guilt but can also be from feelings of happiness or celebration.

Below are common reasons why one may make an unnecessary purchase and a healthy swap to help you save money instead.

JEALOUSY: Do you shop to keep up with your friends?
Healthy Swap: **GRATITUDE JOURNAL.** Every day write out 1-5 things you are grateful for.

GUILT: When things go wrong at work do you treat yourself?
Healthy Swap: **LEARN AND IMPROVE.** Instead of avoiding the feeling, take time to work through why it went wrong. Try to react differently next time and do a loving kindness meditation to help.

FEAR: Do you use shopping to distract from anxiety?
Healthy Swap: **WALK IT OUT.** Pay attention to how your feet feel hitting the ground, notice your surroundings and how the air feels hitting your face.

Learn more in the Dakota Wellness Program Newsletter.

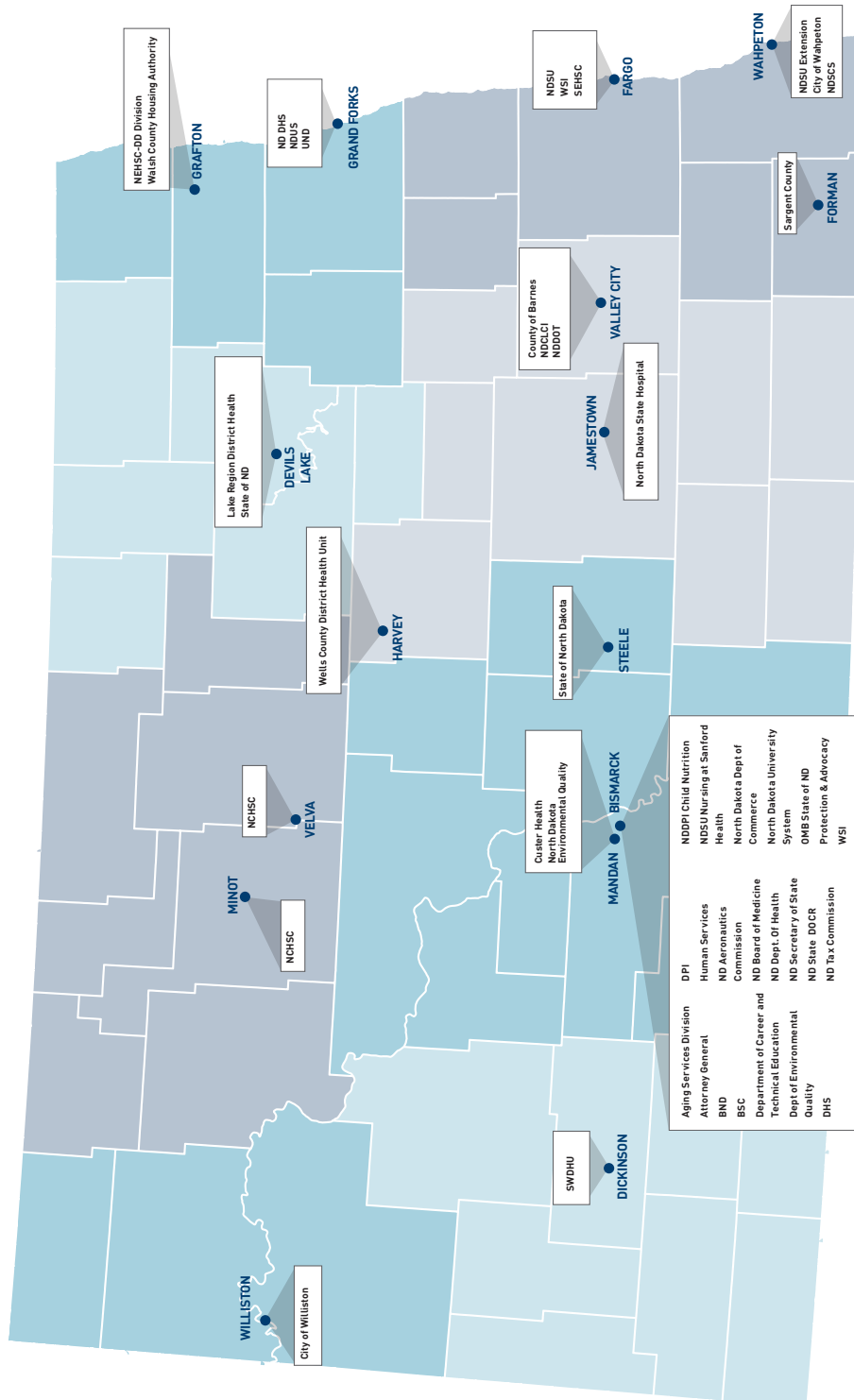
NDPERS 2022 Nov 10/21

SANFORD HEALTH PLAN

EVENT ATTENDANCE BY AGENCY

The Sanford Health Plan NDPERS wellness team continues to engage members across the state, despite pandemic-related in-person restrictions. Wellness educators support agency wellness coordinators and provide worksite education and activities in a virtual format. This map shows where participants are from.

Dakota
Wellness
Program



TOTAL NUMBER OF
AGENCIES VISITED
(UNDUPLICATED)

49

PRESENTATIONS/EVENTS:

Wellness Benefit Overview
Emotional Weath Patterns
Putting our Heads Together
Yes and...
Hydration Challenge Feb 15th
Body Mechanics
Dakota Wellness Program

TOTAL MEMBER
ATTENDANCE
THIS QUARTER:

2513

Special Events

Enhanced Wellness Portal

In January 2022, the Wellness Portal vendor merged with WebMD. While maintaining current ways that members can earn points to their benefit, we have also been able to incorporate new resources.

- **Preventive Care:** Health Assessment (\$25), Annual doctor (\$50) and dental (\$25) visits, Colorectal Cancer Screen (\$15), Mammogram (\$15), Cervical Cancer Screen (\$15)
- **Daily Habits:** (\$30 each, max \$120/year) Turn small, attainable goals into long-term behavior change. The program's digital coaching was developed with physicians, clinicians and a clinical advisory board. There are 28-day lifestyle and 84-day chronic condition programs.
- **Workplace Wellness:** (employees only) Up to \$120 per year
- **Daily trackers:** Diet, Mood, Stress and Exercise (\$ varies, about \$15/month if all 4 are tracked)
- **Fitness Center Reimbursement:** Earn up to \$20 a month via direct deposit for attending a gym at least 12 times a month. See final page for details.



Rethink Your Drink Challenge launched in February.

- Participants were encouraged to drink more water and reduce sugary beverages. Those that logged 6 or more glasses of water were awarded points.
- 1,168 NDPERS members completed the challenge in the portal

MEMBER MANAGEMENT REPORT

CASE TYPE	Total Cases	Members	Successful Contact	Unsuccessful Contact	Care Coordination
CARE TRANSITIONS 757 Total Cases					
Behavioral Health Residential	158	141	155	240	309
Behavioral Health Substance	64	56	25	94	163
Concurrent Review	1	1	1	0	2
Medical Acute	534	503	662	1,173	1,588
CASE MANAGEMENT 5 TOTAL CASES					
Social Work	5	5	1,321	1,209	370
COMPLEX CASE MANAGEMENT 116 TOTAL CASES					
Complicated Case	580	553	498	434	126
MEDICARE ADVANTAGE COMPLEX 7 TOTAL CASES					
Complicated Case	7	7	15	9	12
SPECIALTY CASE MANAGEMENT 646 Total Cases					
Behavioral Health	147	138	204	406	200
ESRD	117	107	212	379	262
High Risk Pregnancy	148	147	302	388	161
NICU	36	36	24	60	97
Oncology	168	149	572	367	405
Transplant	30	28	79	105	38
VERY HIGH RISK CASE MANAGEMENT 3 TOTAL CASES					
Complicated Case	2	2	6	3	3
Oncology	1	1	7	15	6

Member Management

Case Summary

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

Member Outreach

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

Case Management

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

Performance
Standards &
Guarantees

2021-2023

MEASURE	GOAL	OUTCOME REPORTING DATES	CURRENT
WELLNESS:			
Health risk assessment completion	17%	June 30, 2023	4%
Worksite interventions agency participation	75%	June 30, 2023	63%
Fitness center reimbursement participation	5%	Dec. 31, 2022	2.4%
Wellness redemption center payments	\$800,000	Dec. 31, 2022	On Track
Wellness redemption center rate	8%	Dec. 31, 2022	On Track
HEALTH OUTCOMES:			
Healthy Pregnancy Program	2.5%	June 30, 2022	4.4%
Diabetes Prevention Program	3%	Dec. 31, 2022	Behind schedule
Exercise is Medicine Program	3%	Dec. 31, 2022	On Track
Breast cancer screening rates	80%	June 30, 2022	77.8%
Cervical cancer screening rates	85%	June 30, 2022	79.6%
Colorectal cancer screening rates	60%	June 30, 2022	>60%
PROVIDER NETWORK/CONTRACTING:			
PPO network participation rate	Hospital, MDs & DOs: 92%	June 30, 2022	100% Hospital 96% MD/DO
Par medical network minimum discount	30%	June 30, 2022	43.64%
CUSTOMER SERVICE & CLAIMS:			
Claims financial accuracy	99%	June 30, 2022	99.99%
Claims payment accuracy	98%	June 30, 2022	99.51%
Claim timeliness	99%	June 30, 2022	99.19%
Claims procedural accuracy	95%	June 30, 2022	99.99%
Average speed of answer	30 seconds	June 30, 2022	1.51 seconds
Call abandoned rate	5% or less	June 30, 2022	3.85%
First call resolution	95%	June 30, 2022	96.17%
Written inquiry response time	95%	June 30, 2022	99.56%
PHARMACY & FINANCIAL:			
Prescription drug turnaround times	98%	June 30, 2022	99.53%
About the patient program payment	5 days	June 30, 2022	Met
Interest rate corrections	5 days	June 30, 2022	Met

*Results affected by the COVID pandemic

Memo

To: Rebecca Fricke
From: Steve Webster
Date: July 28, 2022
Re: Executive Summary Report: EGWP graph

Enclosed you will find the Year over Year EGWP report. Please note there several **outliers** due to transition from ESI to Humana that we are monitoring. There are several factors that can impact the results, including implementation period, calculation factors, and normalization over the passage of time.

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 Rx	123,723	116,590	-6.1%
Average Member Age	75.7	76.3	0.8%
Nbr Adjusted Rx 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



**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 Website www.ndpers.nd.gov

Memorandum

TO: NDPERS Board

FROM: Rebecca

DATE: August 16, 2022

SUBJECT: Medicare Part D Renewal & 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 2023 Plan Year. Based upon the premium projection supplied by Humana, 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 \$66.72 per member per month (PMPM). The premium for the same plan design (Attachment 3) for 2023 is \$69.72 which is @ a 4.5% increase or \$3.00 PMPM. In addition, Humana has provided an updated list of Performance Guarantees (Attachment 4) for 2023 that removes the guarantees that were specifically related to the transition efforts conducted last year for the 2022 plan year.

You may recall that the current premium was a 25.3% reduction from the premium charged to retirees during 2021 by the previous carrier, Express Scripts, Incorporated (ESI).

A review of the increase was conducted by Deloitte. Deloitte indicated the 4.5% increase appears reasonable given expected trends and the 2023 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 2023 plan year. If renewed, approve the updated Performance Guarantees as updated 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 vendor for the January 1, 2023 through December 31, 2023 contract period. If renewed, approve the updated Performance Guarantees provided by Humana for 2023.

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



**North Dakota
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Memorandum

TO: NDPERS Board

FROM: Rebecca

DATE: May 17, 2022

SUBJECT: Medicare Part D Plan 2023 Preliminary Premium

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 2023 premium.

As part of the bid process conducted in 2021 for the Medicare Part D Plan, Humana guaranteed a 2023 premium cap of no higher than \$73.30 per month, which is a 9.7% increase over the current 2022 premium of \$66.72 per month. You may recall that the bid by Humana that was accepted by the Board resulted in a 25.3% reduction from the 2021 premium (\$89.32 per month) for the plan through Express Scripts, Incorporated (ESI). Humana's preliminary projection for the 2023 premium is \$69.72 per month, which is lower than the premium cap that was part of the bid response. 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 2023 calendar year, the overall ease of administration of the product for NDPERS processes, the minimal disruption that was experienced by our members through the transition from ESI to 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 review the revised Performance Guarantees provided by Humana for 2023. 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 its final renewal premium in August 2022.



6300 S Syracuse Way, Suite 555
Centennial, CO 80111

T 720-252-7728

E jbodenski@humana.com

April 29, 2022

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 2023 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 2023 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 it means much to be in our first year of 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 2023.

A Trusted Partnership

When organizations choose a Group Medicare Advantage 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 provide is a designated account concierge specialist (ACS) for NDPERS. The ACS is available to address routine questions from NDPERS, and gives us the ability to respond quickly and effectively to issues



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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 and provider 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 with clinical programs, through our Care Management program. This program provides vital guidance and service to thousands of our sickest members, helping them achieve their best health while remaining independent at home. Humana provides 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

Humana is pleased to provide a high-level summary of the 2023 renewal. The 2023 renewal includes the following information:

- Renewal Exhibit – with required rate development per the 2023 Contract, Section 4.2, Renewals
- 2023 Rate Sheet with plan highlights
- 2023 Product Design Exhibit with plan details
- 2023 Performance Guarantee Agreement

Rating Factors

In developing the Medicare Part D Prescription Drug Plan 2023 renewal, several factors will be influencing the rate:



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- Claims experience
- CMS reimbursements
- Pharmacy trends
- Plan change adjustments
- Enrollment demographics

Based on the factors above, the **2023 premium is \$69.72 PMPM**, a premium change of \$3.00 PMPM from the 2022 rate of \$66.72 PMPM and within the Not-to-Exceed Rate Guarantee of \$73.20 PMPM.

Benefit and Plan Updates for 2023

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

For 2023, CMS has updated the Part D Standard cost share limits. Humana tracks the drug phases as a CMS requirement; which also affects reimbursement, and the applicable limits are applied to the NDPERS Plan for 2023.

Stage	2022	2023
Deductible	\$480	\$505
Initial Coverage Limit (ICL)	\$4,430	\$4,660
TrOOP	\$7,050	\$7,400
Catastrophic	Greater of \$3.95 (Generics), \$9.85 (Brands), or 5%	Greater of \$4.15 (Generics), \$10.35 (Brands), or 5%

Value Added Items and Services (VAIS):

- The VAIS discount program is included with the Humana Part D Prescription Drug Plan. Programs can change from year to year, however, at time of delivery there are no VAIS changes proposed for 2023. The 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 Employer Plan – Premium Information

NORTH DAKOTA PUBLIC EMPLOYEES RETIREMENT SYSTEM - PDP

BAFO

Date: 7/25/2022
Plan Names: Humana Medicare Employer Plan
Rx Formulary: Custom Rx
Additional Packages: Group Plus Formulary - 23800
 Coughs and Colds, EDs Enhanced

Plan Year	Final Billed Premium (Per Member Per Month)
1/1/2023 - 12/31/2023	\$69.72

PDP No Medical Coverage 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 Plan – Rating Assumptions and Stipulations

NORTH DAKOTA PUBLIC EMPLOYEES RETIREMENT SYSTEM

Proposal Terms

The benefits presented on the previous page are a high-level summary. Please consult the Plan Design Exhibit for a more detailed outline of the benefits proposed. Final benefits may differ due to annual changes in CMS benefit requirements.

For members with End Stage Renal Disease (ESRD), the Humana Group Medicare Advantage Plan is only offered to eligible members who are diagnosed and enrolled in a manner that is consistent with applicable Medicare secondary laws, and the rules and regulations set forth by CMS.

The rates provided do not reflect any potential premium adjustments provided by Center for Medicare and Medicaid Services (CMS) or federal regulations based on a Medicare beneficiary's income.

Humana will hold the proposed rate(s) unless there are material changes to existing or implementation of new federal regulations or requirements, and/or any unforeseen/unusual circumstances (i.e. pandemic) that would impact Group Medicare.

Humana will hold the proposed rates, assuming all of the information provided is accurate, and could be subject to change should any of the following differ:

All members are retired and enrolled in Medicare Part A and/or Part B.

Based on historical enrollment and participation levels, Humana is waiving the employer contribution requirement and allowing the requested custom drug plan designs. We reserve the right to annually review selection risk related to plan funding.

Enrolled membership should not change from current, or differ from the information provided, by more than 10% per year. This proposal assumes 9,119 currently enrolled members.

Part D, administered by Humana Pharmacy Solutions, will utilize Humana's Group Plus formulary and include utilization management programs such as: quantity limits, prior authorization, and step therapy. Humana continually updates its drug list and quantity limits, and ensures these updates are in accordance with CMS regulations.

This quote is on an incurred basis. Humana will be responsible for all eligible claims incurred on or after the effective date through the end of the contract period.

Benefits, deductibles, maximum out of pocket accumulators, and any applicable pharmacy TrOOP accumulators will be reset on January 1 each year.

CMS does not allow members to purchase an individual MA Plan with the use of this product.

The quoted rates are based on Humana's plan being the only Group PDP option.

We are pleased to present this Humana Group Medicare Advantage proposal to you and assume all information provided is accurate with the understanding if there is a material change from the current offering environment, Humana has the right to revise or rescind the quote.

HUMANA MEDICARE EMPLOYER PDP PLAN
2023 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: 01/01/2023 - 12/31/2023

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	Member pays the greater of \$4.15 for generic/preferred multi-source drugs/biosimilars and \$10.35 for all other drugs; OR 5% coinsurance	\$7,400	\$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	Member pays the greater of \$4.15 for generic/preferred multi-source drugs/biosimilars and \$10.35 for all other drugs; OR 5% coinsurance	\$7,400	\$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

*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 remainnig 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	Member pays the greater of \$4.15 for generic/preferred multi-source drugs/biosimilars and \$10.35 for all other drugs; OR 5% coinsurance	\$7,400	\$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	Member pays the greater of \$4.15 for generic/preferred multi-source drugs/biosimilars and \$10.35 for all other drugs; OR 5% coinsurance	\$7,400	\$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

Footnotes:
1 ICL (Initial Coverage Limit): When total drug cost (the amount the member pays plus the amount Humana pays) reaches \$4,660.
2 Catastrophic: When a member's True Out-of-Pocket (TrOOP) cost reaches \$7,400.
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 - Not available in Puerto Rico	Discounts for complementary and alternative medicine services including chiropractic, acupuncture, massage therapy and nutrition. Services must be received from participating designated providers.
• Dental Discount (HumanaDental) - Not available in Florida or Puerto Rico	Discounts on dental services. Services must be received from participating HumanaDental providers.
• Dental Discount (Careington Dental) - Available in Florida only	Discounts on dental services. Services must be received from participating Careington 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	Discounts on hearing aids. Services must be received at a TruHearing hearing center.
• Lifeline® Medical Alert Systems	Philips 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.
• Meal Delivery Discount	Discounts on home delivered meals to help support nutritional needs. Purchases may be placed online at MomsMeals.com/weidline or by calling 1.877.347.3438.
• Prescription Medication Discount	Members show their Humana member ID card at participating pharmacies when they buy non-covered prescription medicines to receive any available discounts. Depending on the medicine purchased, quantity limits may apply.
• EyeMed Vision Discount	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 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. 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.

Humana's Group Medicare Performance Guarantee Agreement

North Dakota Public Employees Retirement Systems



2023 Group Medicare Performance Standards for PDP Only
Effective January 1, 2023 through December 31, 2023
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	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
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
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

North Dakota Public Employees Retirement Systems



2023 Group Medicare Performance Standards for PDP Only

Effective January 1, 2023 through December 31, 2023

Minimum Annual Average Membership Requirement: None

PG#	Category	Target	Standard & Measurement Criteria	Amount at Risk
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 of Answer	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
15.1	Accuracy and Timelines/ First Call Resolution	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.	15.1 and 15.2 Annually
15.2	Written Inquiry Response Time	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).	\$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
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

North Dakota Public Employees Retirement Systems



2023 Group Medicare Performance Standards for PDP Only

Effective January 1, 2023 through December 31, 2023

Minimum Annual Average Membership Requirement: None

PG#	Category	Target	Standard & Measurement Criteria	Amount at Risk
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, 2023 and ending December 31, 2023. 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) no sooner than 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.



Request for Proposal

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

Release Date: August 17, 2022

Due Date: September 7, 2022

Effective Date: January 1, 2023

Contents

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

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

I. Proposed Timetable

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

Activity	Date/Time
RFP Published	August 17, 2022
Questions Due	August 24, 2022
Question Answers Posted	August 29, 2022
Proposals Due	September 7, 2022
NDPERS Staff Interviews	Week of September 19
NDPERS Board Presentations	Week of September 19
Selection of Vendor	September 2022
Contract Effective Date	January 1, 2023

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

Proposal Format and Contact Information

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

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

- Qualitative proposals should include:
 - Appendix A
 - 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 ten (10) paper copies of the *qualitative proposals* along with one (1) electronic copy (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 58503

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.

III. Objective of RFP

North Dakota Public Employees Retirement System – Strategic Objectives

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

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

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

- 1. Except for Medicare part D, prescription drug coverage, the board may not enter or renew a contract for prescription drug coverage unless the contract authorizes the board during the term of the contract to conduct a performance audit of the prescription drug coverage and any related pharmacy benefits management services. The contract must provide:*
 - a. The board must have full access to data regarding:*
 - (1) The total dollars paid to the pharmacy benefits manager by the carrier and the board;*
 - (2) The total amount of dollars paid to the pharmacy benefits manager by the carrier which were not subsequently paid to a licensed pharmacy in the state; and*
 - (3) Payments made to all pharmacy providers.*
 - b. The board must have full access to data regarding the average reimbursement, by drug ingredient cost, dispensing fee, and any other fee paid by a pharmacy benefits manager to licensed pharmacies with which the pharmacy benefits manager shares common ownership or control or is affiliated.*
 - c. The board must have full access to data regarding the average reimbursement, by drug ingredient cost, dispensing fee, and any other fee paid by a pharmacy benefits manager to pharmacies licensed in the state.*

- d. *The board must have full access to data regarding any direct and indirect fees, charges, or recoupment, or any kind of assessments imposed by the pharmacy benefits manager on pharmacies licensed with which the pharmacy benefits manager shares common ownership or control or is affiliated.*
 - e. *The board must have full access to data regarding any direct and indirect fees, charges, or recoupment, or any kind of assessments imposed by the pharmacy benefits manager, on pharmacies licensed in the state.*
 - f. *The contract must provide that all drug rebates, financial incentives, fees, and discounts must be disclosed to the board.*
2. *The board shall use an independent auditor who has no conflict of interest with the carrier, pharmacy benefits manager, or board. The board's auditor, the insurance department, and the employee benefits programs committee may access any information the board may access under this section. All information accessed by the board, board's auditor, insurance department, or employee benefits programs committee which is trade secret is a confidential record. This subsection does not limit the information required to be disclosed to the board under subsection 1.*
 3. *If the board contracts directly with a pharmacy benefits manager or provides prescription drug coverage through a self-insurance plan, the contract must provide the pharmacy benefits manager shall disclose to the board and the board's auditor all rebates and any other fees that provide the pharmacy benefits manager with sources of income under the contract, including under related contracts the pharmacy benefits manager has with third parties, such as drug manufacturers.*
 4. *Anything the board has access to under this section, the insurance department and employee benefits programs committee has access to.*

Model Contract

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

Contract Term and Renewals

The term of this contract is one year, January 1 through December 31, 2023. 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

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

- Chairman – appointed by the Governor
- Member – appointed by the Attorney General
- Member – elected by retirees
- Members (3) – elected by active employees
- Legislators (2) – appointed by Legislative Management
- State Health Officer or Designee

PROGRAMS

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

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

Current EGWP Benefit

The following table provides a summary of the current (2022) 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 2023.

Prescription Drug Benefits

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

You pay the following until your total yearly drug costs reach **\$4,430**. 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
30-day supply		
1 (Generic or Preferred Generic)	\$5 copay and you pay 15% of the remaining cost share	\$5 copay and you pay 15% of the remaining cost share
2 (Preferred Brand)	\$15 copay and you pay 25% of the remaining cost share	\$15 copay and you pay 25% of the remaining cost share
3 (Non-Preferred Drug)	\$25 copay and you pay 50% of the remaining cost share	\$25 copay and you pay 50% of the remaining cost share
4 (Specialty Tier)	\$25 copay and you pay 50% of the remaining cost share	\$25 copay and you pay 50% of the remaining cost share
90-day supply		
1 (Generic or Preferred Generic)	\$5 copay and you pay 15% of the remaining cost share	\$5 copay and you pay 15% of the remaining cost share
2 (Preferred Brand)	\$15 copay and you pay 25% of the remaining cost share	\$15 copay and you pay 25% of the remaining cost share
3 (Non-Preferred Drug)	\$25 copay and you pay 50% of the remaining cost share	\$25 copay and you pay 50% of the remaining cost share
4 (Specialty Tier)	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.

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.

	Standard retail cost-sharing (in-network)	Mail-order cost-sharing	Long-term care (LTC) cost-sharing	Out-of-network cost-sharing (coverage is limited to certain situations; see Chapter 3 for details.)*
Cost-Sharing Tier 1 (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
Cost-Sharing Tier 2 (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	\$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
Cost-Sharing Tier 3 (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
Cost-Sharing Tier 4 (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.

	Standard retail cost-sharing (in-network)	Mail-order cost-sharing
Cost-Sharing Tier 1 (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
Cost-Sharing Tier 2 (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
Cost-Sharing Tier 3 (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
Cost-Sharing Tier 4 (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 \$7,050, 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/dakota>

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.

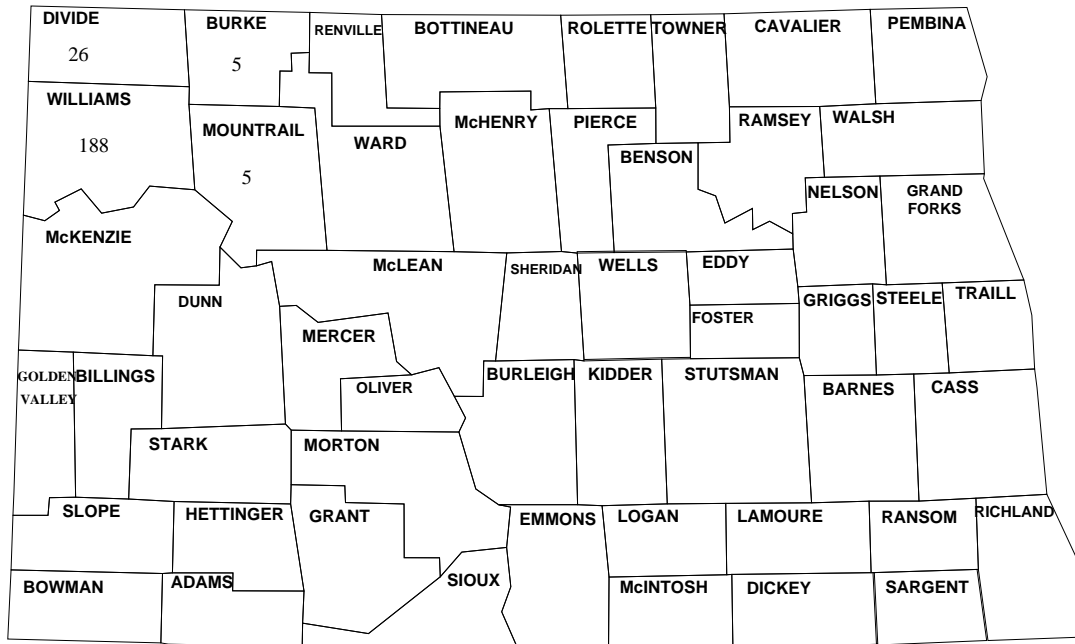
Application for coverage must be submitted within 31 days of Medicare entitlement or an NDPERS-approved qualifying event. The retiree and/or spouse must have both Medicare A & B in order to be eligible for coverage. The NDPERS qualifying events are:

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

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

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

Geographic Distribution of the Population

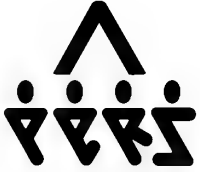


V. Confidentiality

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

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

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



**North Dakota
Public Employees Retirement System**
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

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

Memorandum

TO: NDPERS Board

FROM: Rebecca

DATE: August 16, 2022

SUBJECT: Sanford Health Plan 2022 Member Survey

Representatives from Sanford Health Plan (SHP) will be at the meeting to present the results of the SHP 2022 Member Survey (Attachment 1). The full report is provided as informational in Attachment 2.

Attachment 1

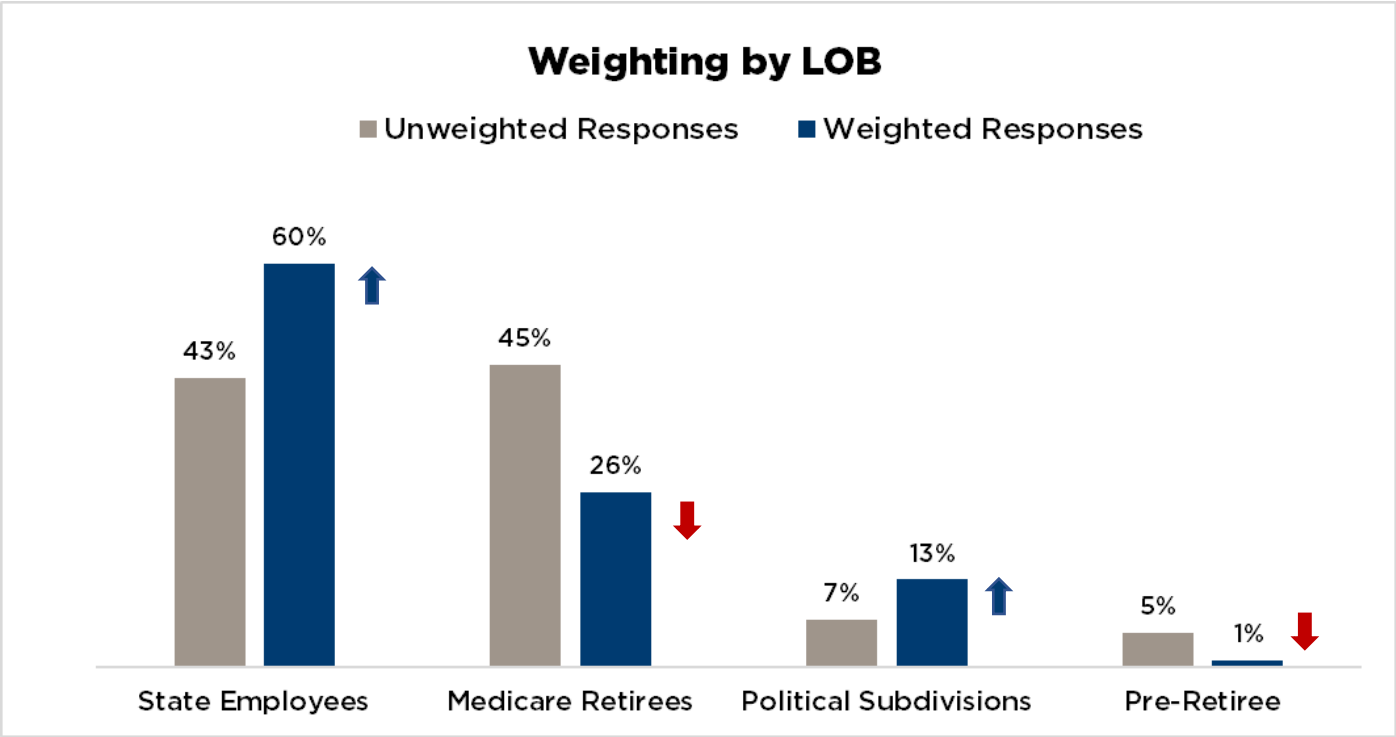
2022 NDPERS MEMBER EXPERIENCE SURVEY



METHODOLOGY



WEIGHTING



N =1,020

EXECUTIVE SUMMARY



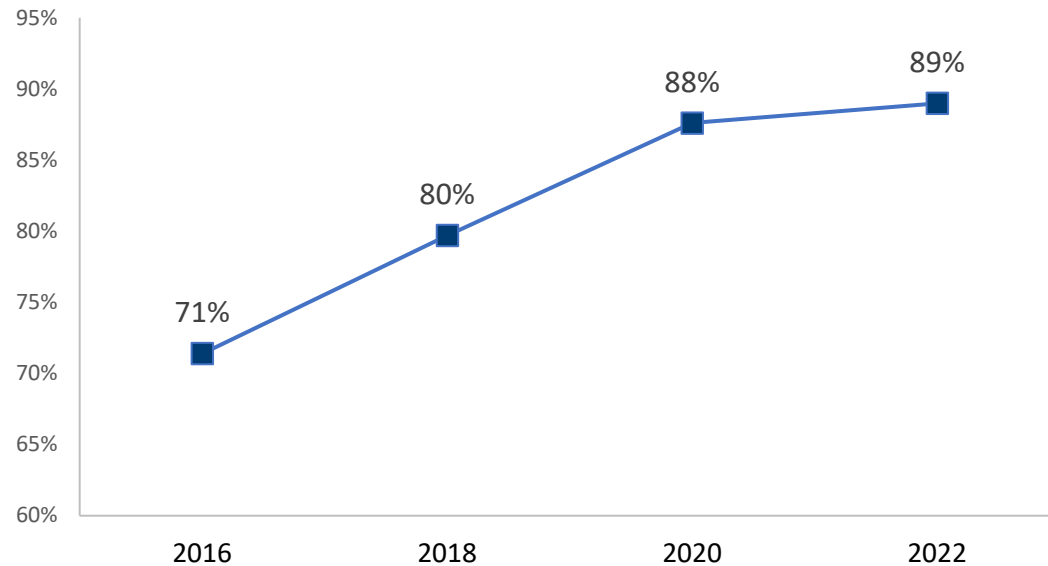
MEMBER EXPERIENCE



SATISFACTION WITH BENEFITS

Q. How satisfied are you with your NDPERS Health Plan Benefits?

Satisfaction with Health Plan Benefits

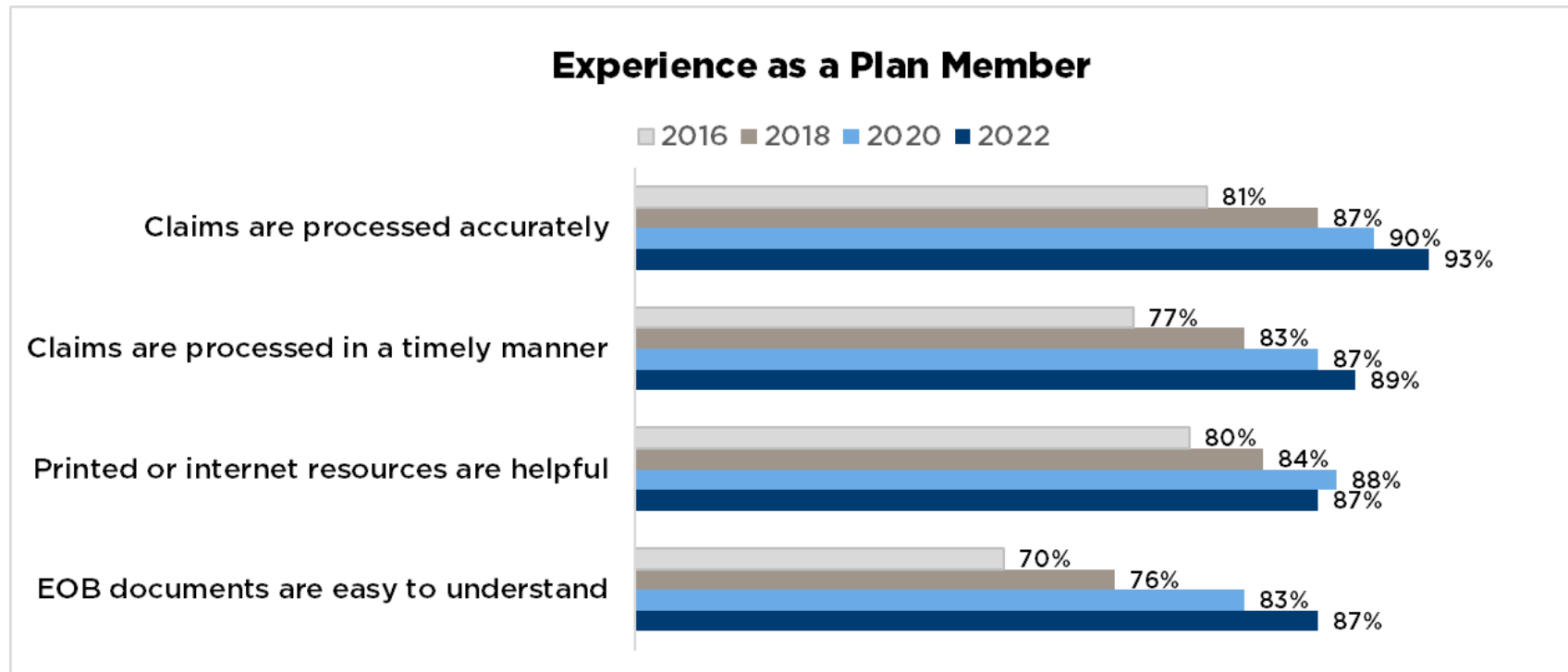


	Satisfaction with Health Plan Benefits	
	2022	% Change from 2020
State Employees	85%	↓ 1%
Medicare Retirees	96%	↑ 1%
Political Subdivisions	90%	↑ 9%
Pre-Retiree	96%	↑ 20%

N =1,005

MEMBER EXPERIENCE

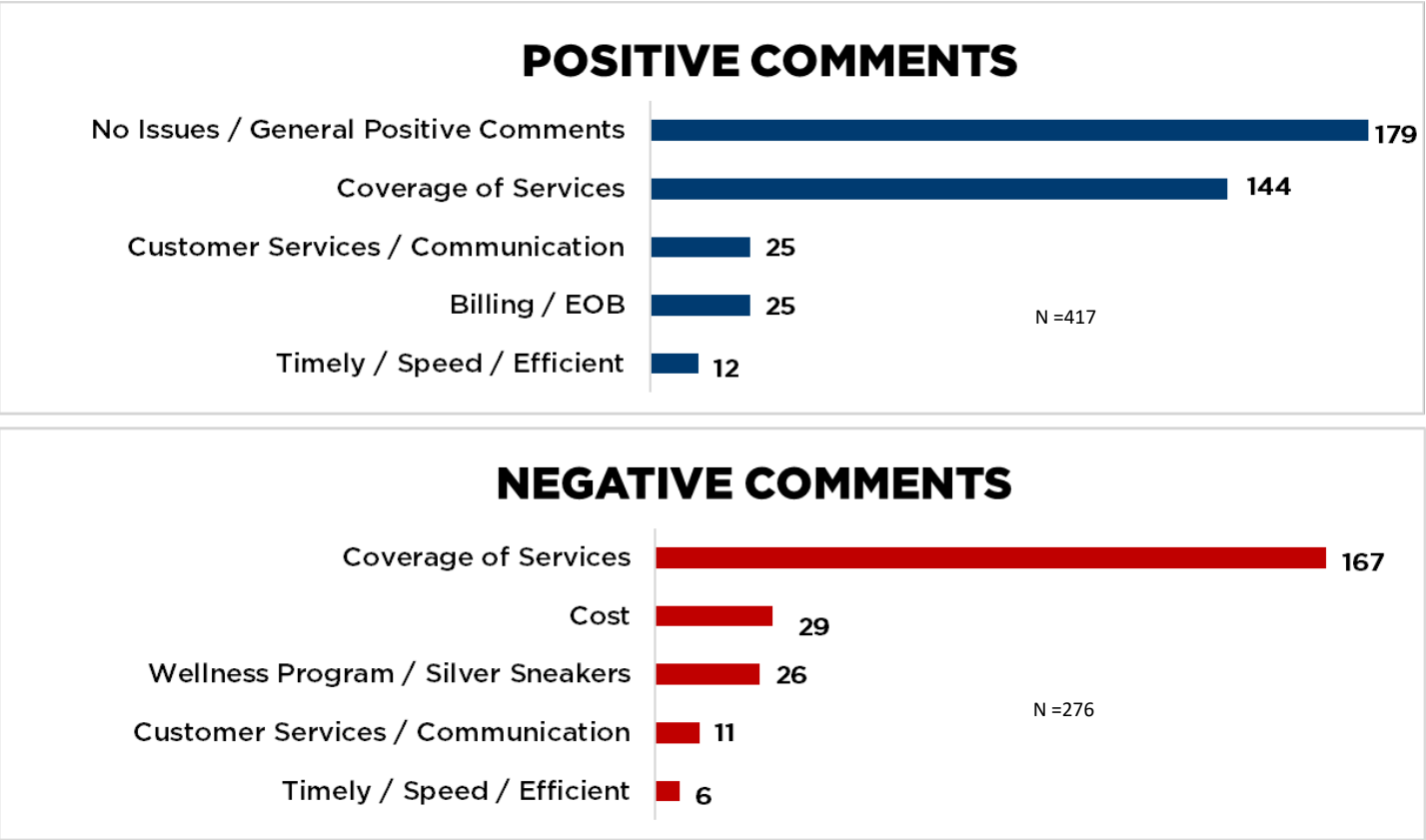
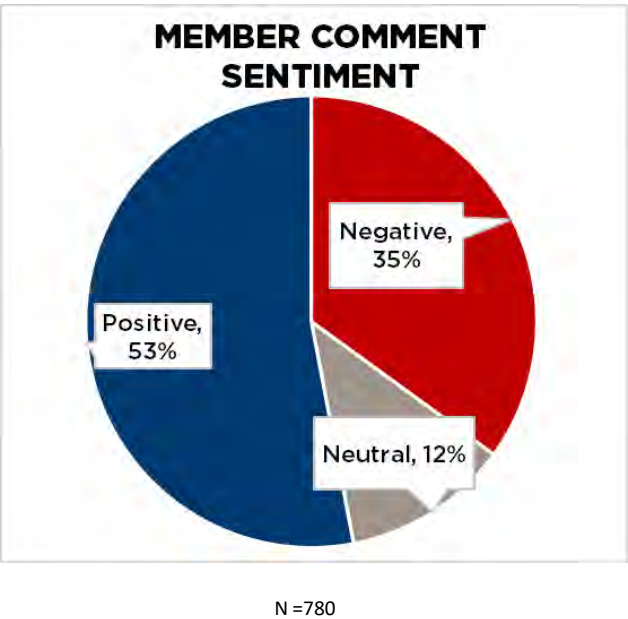
Q. Please tell us more about your experience as a plan member?



N =998

POSITIVE AND NEGATIVE COMMENTS

Q. Why did you give NDPERS Dakota Plan Health Benefits that rating?



SAMPLE OF POSITIVE COMMENTS

Q. Why did you give NDPERS Dakota Plan Health Benefits that rating?

Coverage of Services

- I think the plan covers most of our health expenses after deductibles. We have been very satisfied with the coverage
- Plan pays quite well for services.
- Everything I need is covered under the Plan.
- I've never had issues with coverage.
- All my medical expenses have been covered since I retired in 2007.
- So far all of my appointments and treatments were paid so no doctor bills out of my pocket since I'm on a fixed income
- Benefit coverage excellent and timely.
- Covered what I expected. Never had any problems with getting services or claim procedure.
- My wife Has Been Receiving Cancer treatments. We have not had to pay for very many items out of pocket - Between Medicare and Sanford - the coverage has been Excellent

Customer Service / Communication

- During the past year I have received several very critical health care services including cochlear implant surgery, hospitalization for treatment of stroke, PT and OT rehab, Mohs surgery, and a Medtronic LINQ II insertable cardiac monitor implant. My NDPERS Sanford Health Plan was very responsive to my needs, answered all my questions regarding coverage, and provided excellent customer service.
- Never had a problem with any Insurance claims. Coverage is very good. Customer service excellent.
- The service has been good. The people are friendly when I call.
- The support given by Sanford is amazing! You can call with a question and they will find the answer if they don't know it. They usually know it.
- Staff are friendly and helpful
- I have in Cancer treatment for 2 years and my husband before that. We have gotten the best of service and coverage.
- The highest quality of service is provided at all times with no cause for disappointment. That provides great satisfaction.
- People in the NDPERS office are well-versed on what they do. And they are friendly.
- Staff at NDPERS and Sanford are great to work with when I have any questions. The online websites for both are excellent.

Billing / EOB / Payments

- All claims have been settled on time + in full
- Any bills I have are always paid promptly, and the explanation of benefits is generally clear to understand
- They have always paid their share
- My claims are paid in full with very little or no out of pocket expenses.
- Claims are Paid fast



Microsoft Excel
Worksheet

[Click on the Excel Worksheet to view
all member comments](#)

SAMPLE OF NEGATIVE COMMENTS

Q. Why did you give NDPERS Dakota Plan Health Benefits that rating?



Microsoft Excel
Worksheet

[Click on the Excel Worksheet to view all member comments](#)

Coverage of Services

- Wish dental, vision & hearing were included as medical!
- I have not had any Problems with my Ins. I do wish that it would cover at least in Part 4 hearing aids + glasses Though.
- Would like to see a combination of natural medicine and traditional care
- Wished my plan had more coverage.
- Prescription drug coverage could be better.
- I do feel that certain things could be covered especially if the doctor is recommending surgery. i.e.-deviated septum, shouldn't have to wait to see if nasal/allergy meds with help - only surgery will fix it!
- I am mostly satisfied. I am frustrated with the high cost of name brand medicine not being covered by my insurance..

Costs

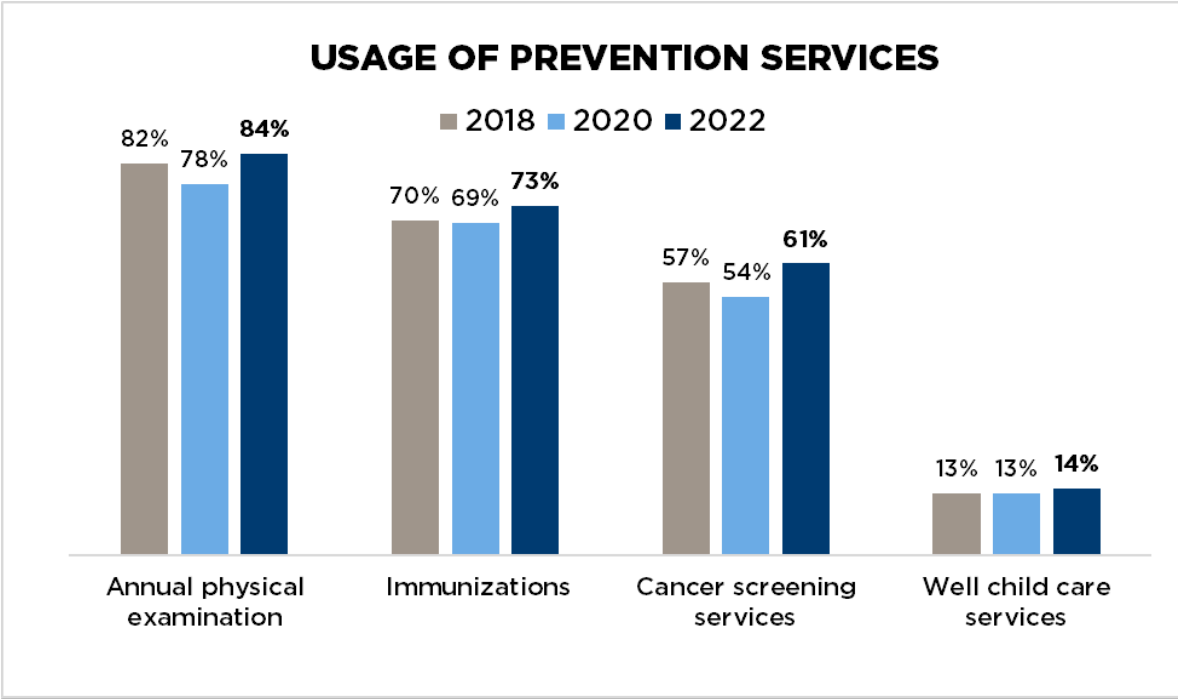
- I like the coverage and would give it a 10, but the premiums are getting a bit hard to absorb. I'm on fixed income.
- The benefits have been very good - would like to see a lower premium - us old people on a fixed income do struggle to make ends meet
- the cost of Insurance premium is high
- Very poor cost share
- Unaware of any wellness program. Random fees for no reason. How about you pay for what you're going to pay upfront so I don't have surprise charges later
- Cost of premium & large deductible
- Each year-premium rise, benefits fall.
- Good coverage, but very expensive. I pay 1,100.00 a month premium.

Fitness Reimbursement / Silver Sneakers

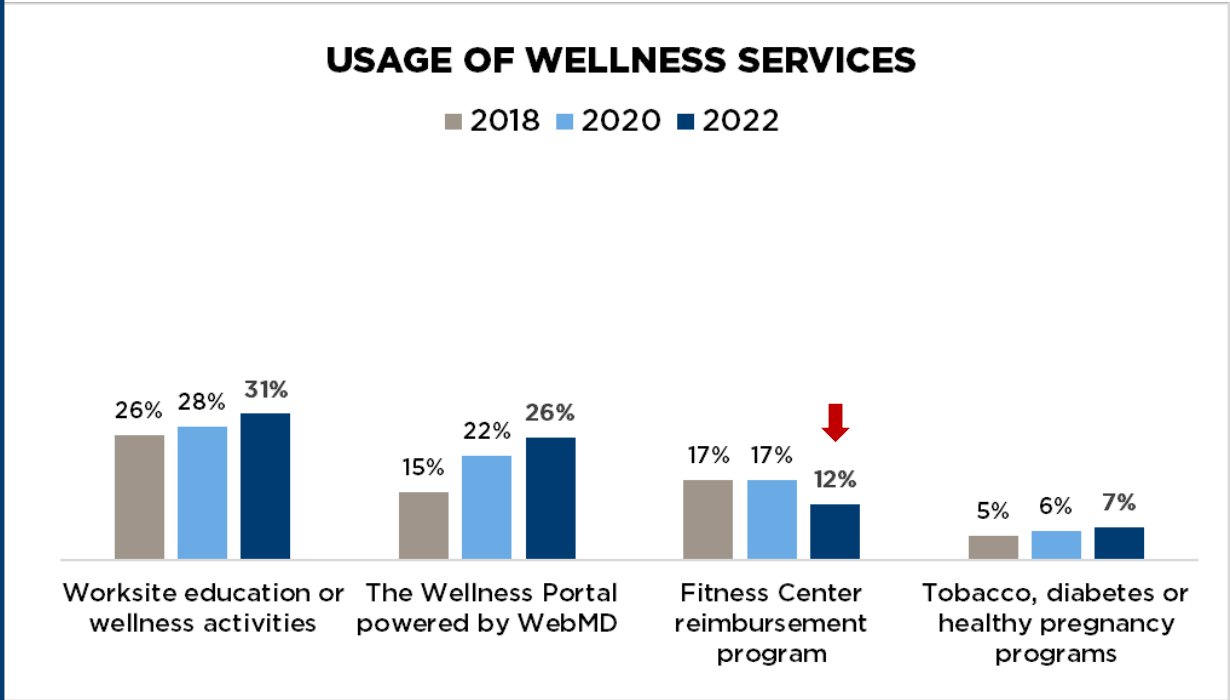
- We don't have Silver Sneakers in the plan
- I am retired and they do not include Silver Sneakers in the plan
- Medica, Blue-Cross Blue Shield -- and other health provide Silver Sneakers and a free pass to your local Y and Family Wellness Center -- and I will have to pay \$1200 next year to be a member of the Fargo Family Wellness Center.
- They do not provide Silver Sneakers
- I would like for Silver Sneakers to be available

USAGE - PREVENTION & WELLNESS SERVICES

Q. Which health prevention services do you use?
Q. Which wellness program benefits do you use?



N =1,001



N =982

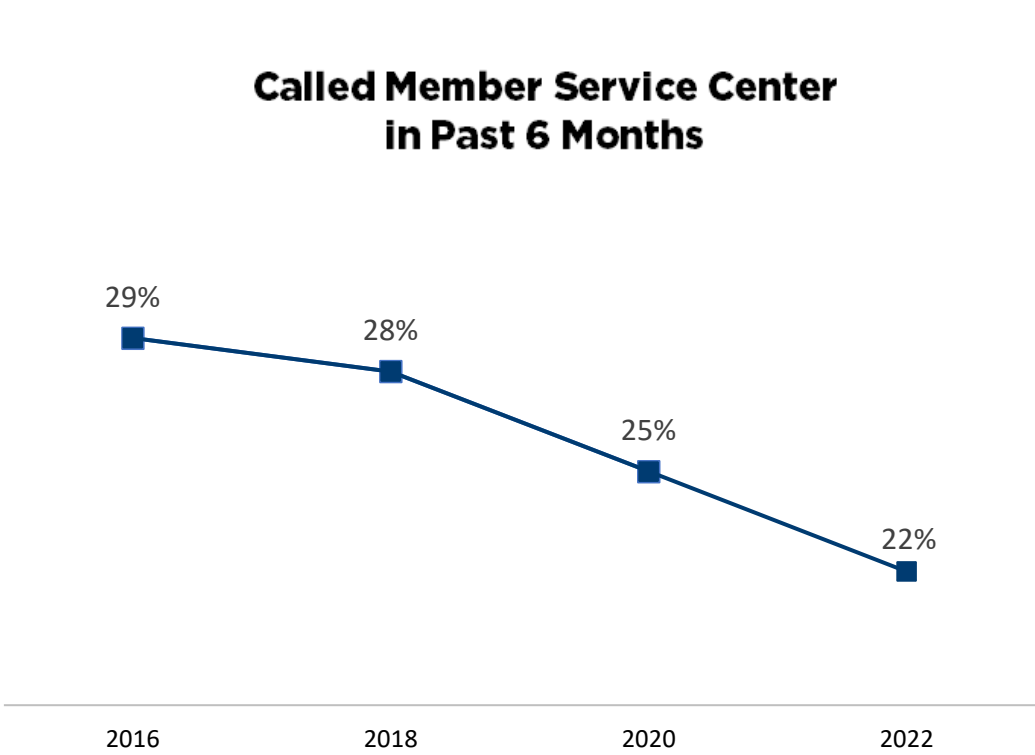
MEMBER SERVICE CENTER



USAGE OF MEMBER SERVICE CENTER

Q. Have you called the Sanford Health Plan member services center within the last 6 months?

**Called Member Service Center
in Past 6 Months**

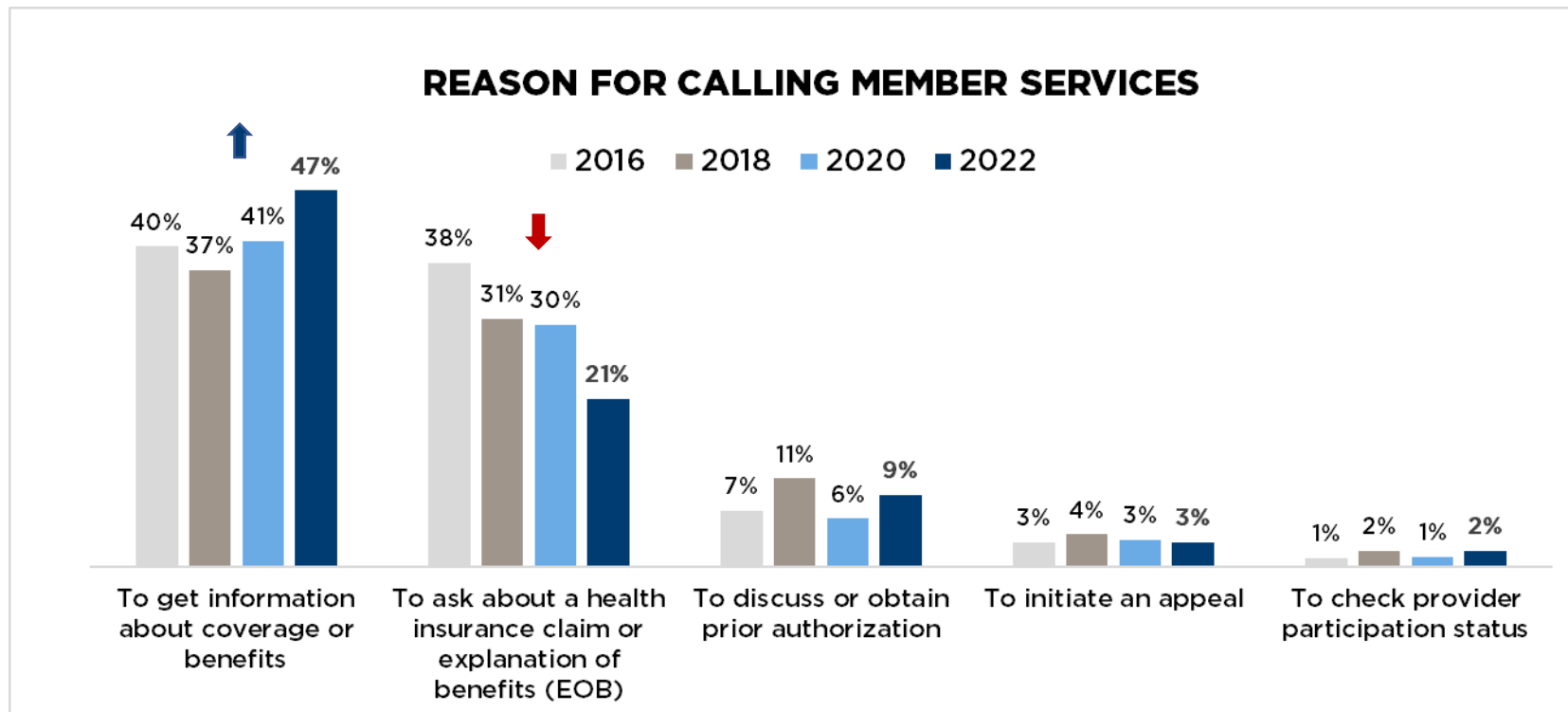


N =990

	Called Member Service Center	
	2022	% Change from 2022
State Employees	28%	↓ 3%
Medicare Retirees	13%	↓ 1%
Political Subdivisions	15%	↓ 7%
Pre-Retiree	18%	↓ 14%

REASON FOR CALLING SERVICE CENTER

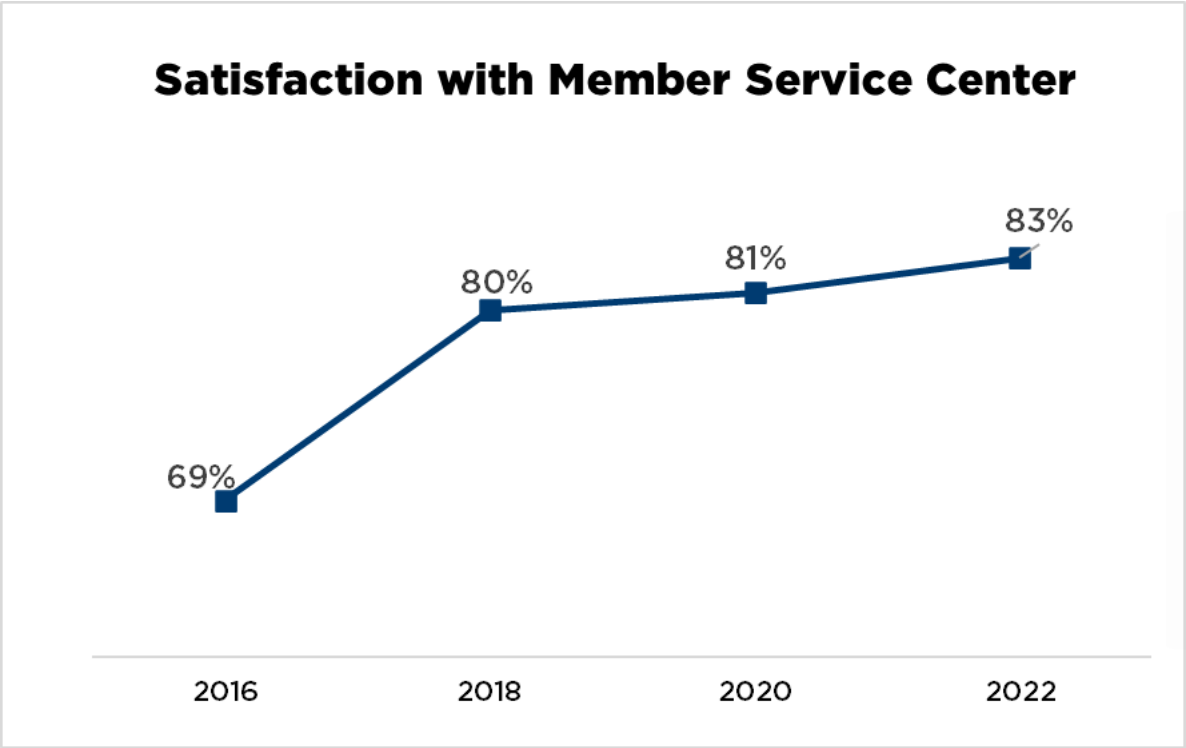
Q. Why did you call the member service center?



N = 220

SATISFACTION WITH MEMBER SERVICES

Q. How satisfied were you with the service when you called the member services center?



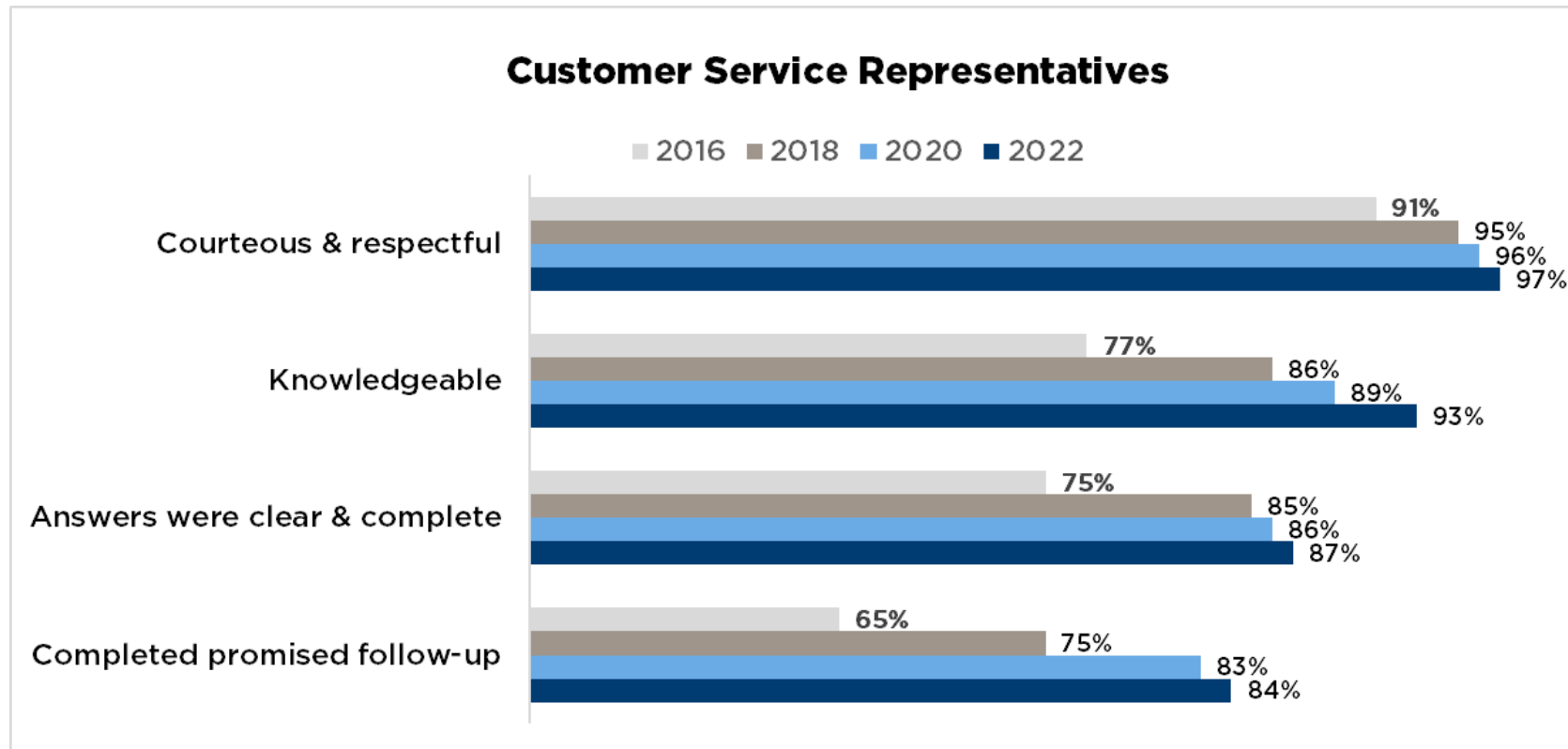
	Satisfaction with Member Services Center	
	2022	% Change from 2020
State Employees	80%	No change
Medicare Retirees	93%	↑ 4%
Political Subdivisions	90%	↑ 9%
Pre-Retiree	88%	n/a*

*Statistically invalid number

N =224

CUSTOMER SERVICE REPRESENTATIVES

Q. Please share your feedback about the representative you talked with



N = 222

EXECUTIVE SUMMARY



MEMBER SATISFACTION IS HIGH AND CONTINUES TO IMPROVE

- Satisfaction with benefits is high and continues to increase...up 18 points in the last 6 years
- Satisfaction with the Member Service Center increased 14 points in the last 6 years
- The Member Experience is high, improving significantly and consistently during the past 6 years
- Usage of Preventive Services increased significantly

OPPORTUNITIES FOR IMPROVEMENT

- Continue to provide the best coverage at an affordable cost
- Improve satisfaction scores to meet and exceed Performance Guarantees threshold of 90% satisfaction

QUESTIONS?



Attachment 2

2022 NDPERS MEMBER EXPERIENCE SURVEY

Executive Summary and Full Report

August 2022

Jointly Commissioned by the North Dakota Public Employees Retirement System & Sanford Health Plan

Prepared by: Sanford Health Market Research



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EXECUTIVE SUMMARY

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Detailed, question-by-question breakdowns that shed light on the members who completed the survey, including demographic and service utilization questions.

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EXECUTIVE SUMMARY: NDPERS MEMBER EXPERIENCE

Six years following a change in their health plan service providers, NDPERS members are highly satisfied with their Dakota Health Plan Benefits and with the customer service provided by Sanford Health Plan. This executive summary details topline results, presents key insights from analysis, provides survey methodology notes and presents a summary of open-ended comments.

ABOUT THE RESULTS

- **Survey Response:** A random, representative sample of 7,500 NDPERS members was invited to participate. Results are based on 1,020 returned Surveys
- **Margin of Error:** The full sample has a margin of error of $\pm 3.0\%$, and the sub-sample of Member Services Call Center callers (n=222) has a margin of error $\pm 6.6\%$. Both samples are reported at the 95% confidence level.
- **Time Frame:** Responses were gathered from May 1st to June 18th, 2022.

TOPLINE RESULTS: GENERAL MEMBERSHIP SURVEY

Significant continues to be made. Member satisfaction is high and continues to improve. Almost all lines of business saw increases in satisfaction and all metrics we measured have had significant improvements since 2016.

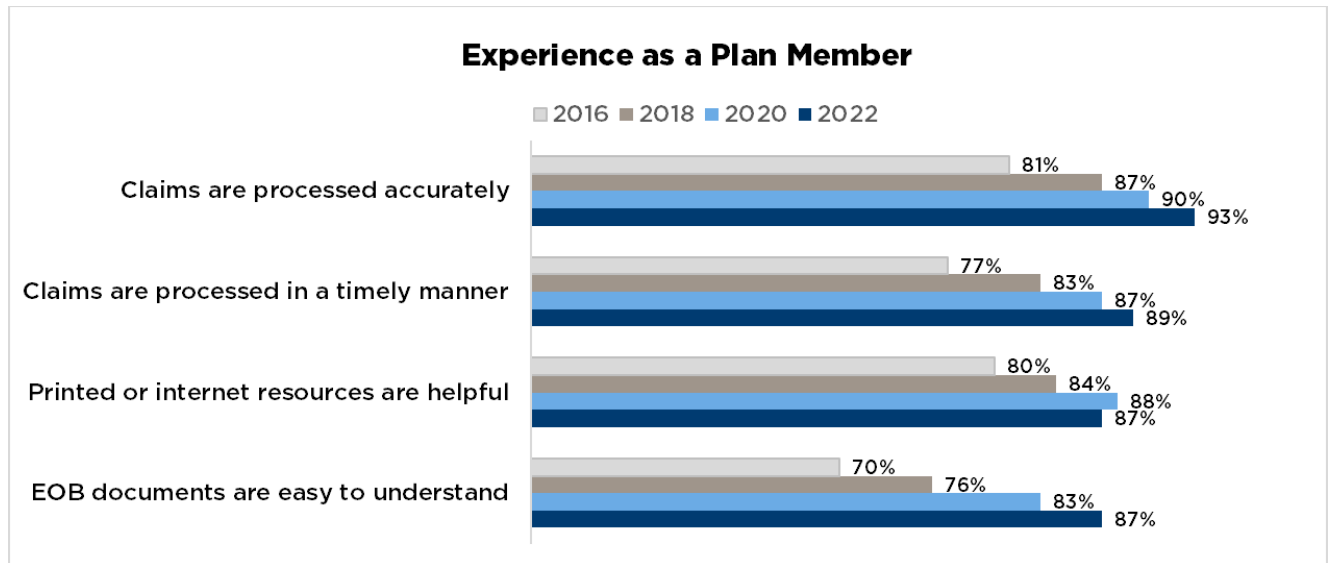
- 89% are satisfied with their NDPERS Dakota Health Plan Benefits (a 1-point increase from 2020).
- 93% agree that health insurance claims are processed accurately (a 3-point increase from 2020).
- 89% agree that claims are processed in a timely manner (a 2-point increase from 2020).
- 87% agree that printed materials or internet resources are helpful (a 1-point decrease from 2020).
- 87% agree that EOBs are easy to understand (a 4-point increase from 2020).

TOPLINE RESULTS: MEMBER SERVICES CALL CENTER

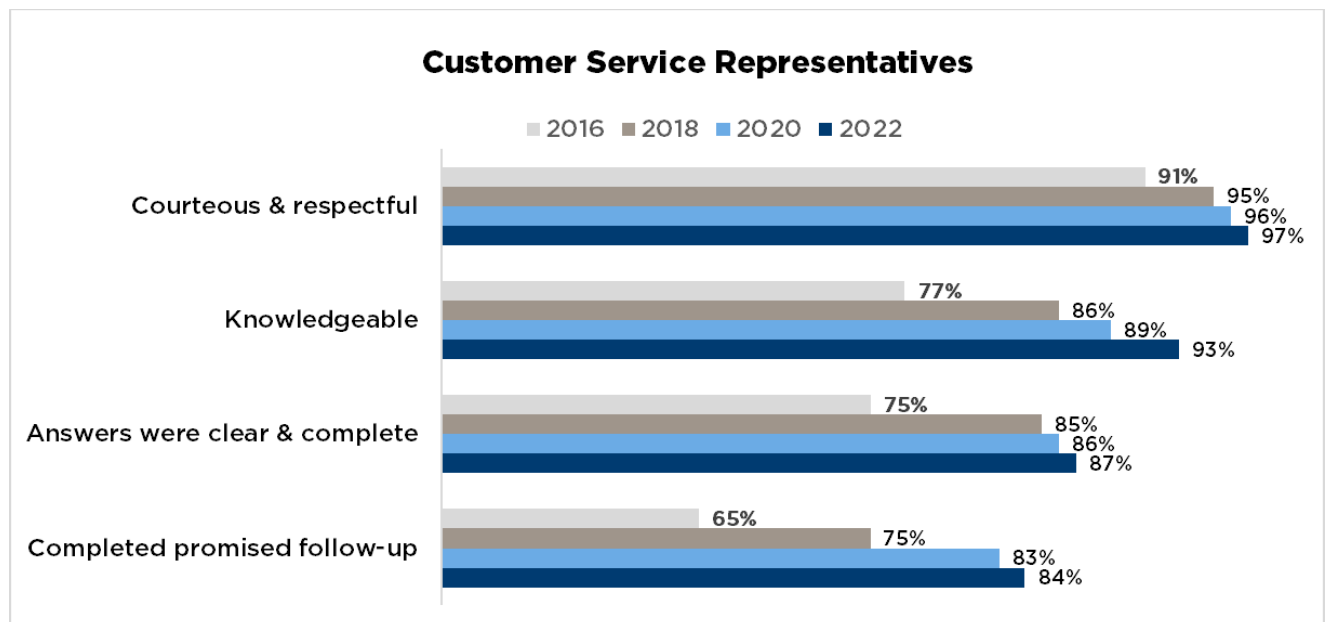
Significant progress continues to be made. Member Services satisfaction improved significantly between 2016 and 2018 but has only improved slightly since then. Customer Service Representatives continue to have improvement in scores related to the service they provide.

- 22% of members report calling Member Services in the past six months (a 3-point decrease from 2020).
- 47% called the call center to get information about coverage or benefits, and 21% called to ask a question about a health insurance claim or explanation of benefits (EOB).
- 83% of callers are satisfied with the service they received when they called Member Services (a 2-point increase from 2020).
- 97% agreed that the service representative was courteous and respectful (a 1-point increase from 2020).
- 93% agreed that the service representative was knowledgeable (a 4-point increase from 2020).
- 87% agreed that questions were answered clearly and completely (a 1-point increase from 2020).
- 84% agreed that the service representative completed any promised follow-up (an 1-point increase from 2020).

TOPLINE RESULTS: GENERAL MEMBERSHIP SURVEY



TOPLINE RESULTS: MEMBER SERVICES CALL CENTER



ANALYSIS: KEY INSIGHTS

MEMBER SATISFACTION CONTINUES TO IMPROVE

- 89% of members are satisfied with their benefits...up 18 points in last 6 years
- Almost all lines of business saw increases in satisfaction, with State Employees decreasing by just 1 point
- The member experience is improving across most metrics measured
- The percentage of members calling the service center is decreasing
- Satisfaction with customer service representatives improved across all metrics

OPPORTUNITIES FOR IMPROVEMENT

Continue to Provide the Best Coverage of Services at an Affordable Price

The two topics of “coverage of services” and “cost” accounted for 70% of the negative comments we received from NDPERS members. These two related factors are the most important drivers of member satisfaction for a health plan. Members expect the best coverage possible at an affordable price.

Improve Member Satisfaction through clearer answers and follow through.

Overall member satisfaction increased 14% from 2016-2022, however, it provides the greatest opportunity for improvement relative to other survey results. Call volume is decreasing, indicating member have the information they need, and their insurance is performing as expected. Persistent processes improvement activities for clear answers and promised follow-up will propel the scores to the 90% threshold.

Billing / EOBs and Printed Materials have room to grow

Significant improvements have been made for both the EOB and printed materials, both coming in at 87% satisfaction levels. There are projects underway to improve the understandability of the EOB while printed resources need to be studied to understand how they can be more helpful to the member.

Create Wellness Program for Seniors

The most requested wellness benefit improvement is the inclusion of a Silver Sneakers program. The second most requested improvement is to increase the dollar amount for fitness center reimbursements and simplify the process.

METHODOLOGY: FIELDING THE SURVEY AND PREPARING RESULTS

Sanford Health Market Insights conducts consumer and market research for Sanford Health's various service divisions and partners. Survey goals, methodology and questions for this effort were developed in cooperation with Sanford Health Plan and NDPERS leadership.

FIELDING THE SURVEY: SURVEY SAMPLING AND DISTRIBUTION

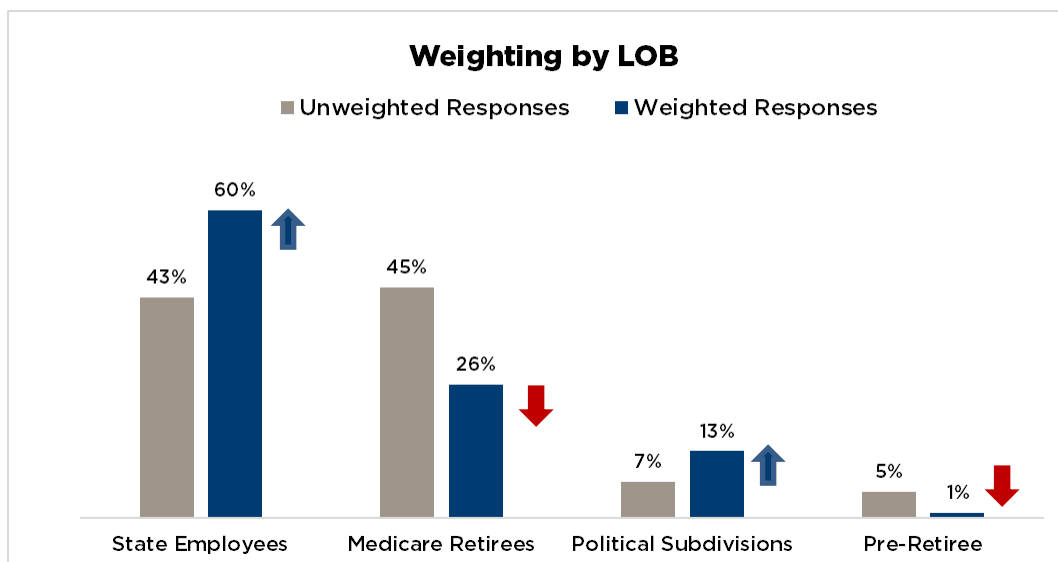
To generate accurate, credible and actionable results, the survey effort focused on asking the right questions to the right people.

- **Survey Sample:** Using policy holder lists provided by Sanford Health Plan, 7,500 members were randomly selected to participate in the survey. Invitations were sent in proportion to how NDPERS members receive benefits - 66% of surveys were sent to state employees, 17% to Medicare retirees, 14% to members of political subdivisions and 3% to pre-retirees.
- **Survey Distribution:** Surveys were sent via postal mail, and members had the option of returning a paper survey or completing the survey online by visiting www.surveyndpers.com. 71% of the respondents mailed in their survey and 29% took the survey online.
- **Unique Survey IDs:** To track survey participation, eliminate the possibility of double-participation and allow for data entry validation, each survey was assigned a unique survey ID number.
- **Survey Collection:** Surveys were received by Sanford Health Market Insights between May 1st and June 18th, 2022. Paper surveys were returned via pre-paid envelopes, and completing the survey online required a survey password and survey ID.
- **Survey Questions:** The 2022 NDPERS questionnaire was identical to previous waves (2018 & 2020) to preserve trends.

PREPARING RESULTS: ANALYZING AND REPORTING RESULTS

Due to the nature of the survey effort, preparing survey results involved establishing consistent analysis and reporting methods over multiple waves.

- **Weighting by Line of Business:** To account for uneven response rates, overall totals were weighted to ensure the results accurately reflect the membership base. For example, Medicare Retirees accounted for 45% of survey responses but only represent 26% of NDPERS members. The graph below depicts how the results were weighted either up or down based on response rate and line of business.



- **Net Effect of Weighting:** Because Medicare Retirees are typically highly satisfied with their benefits and their scores are weighted down, the net effect of weighting lowers all satisfaction scores. For example, the raw results show that 91% of members are satisfied with their NDPERS benefits. When we weight the results, that number is lowered to 89%.
- **Calculating Percentage Totals:** Two different scales were used in question responses.
 - ✓ **Satisfied/Not Satisfied Totals:** Satisfaction questions asked members to use a 1 to 10 scale, with 10 representing "Extremely Satisfied." Answers values from 1 to 5 are reported as "Not Satisfied" and answers from 6 to 10 are reported as "Satisfied."
 - ✓ **Agree/Disagree Totals:** Agreement questions asked members to use a 1 to 4 scale, with 4 representing "Strongly Agree." Answer values of 1 and 2 are reported as "Disagree" and values 3 and 4 are reported as "Agree."
- **Number of Responses Per Question:** Not all survey questions were answered by all survey responders. Responses for each question may vary based on whether the question was skipped or had an "N/A" option.

OPEN-ENDED COMMENTS: METHODOLOGY

The survey included one open-ended question asking NDPERS members to explain their overall satisfaction with NDPERS Dakota Health Plan Benefits.

- **Statement Groupings and Sentiment:** Statements were separated into 10 categories and assigned either a positive, negative or neutral sentiment.
- **Statement Examples:** The chart below shows the 11 categories and provides examples of statements for each category.

SAMPLE COMMENTS BY CATEGORY	
Category	Sample Statements
Coverage of Services	"Wish dental, vision & hearing were included as medical!"
General Comment / No Issues	"No problems with the insurance"
Cost	"Good coverage, but very expensive. I pay 1,100.00 a month premium"
Customer Services / Communication	"Have always had great customer service when there is a question"
Wellness Program / Fitness Reimbursement / Silver Sneakers	"Wish a better plan for fitness centers. 20% payout + 3 day a week is weak. Silver Sneakers is much better."
Billing / EOB / Payments	"I have not had any issues with them paying claim appropriately."
Timely / Speed / Efficient	"Happy with everything except waiting"
Easy / Simple	"Ease of use. Online resources"
Quality of Care / Doctors	"I feel well cared for and care with the Sanford providers is seamless"
Choice / Network	"We have been going through infertility treatment. More networking doctors"

GENERAL MEMBER SURVEY

Detailed Topline Survey Results

This section provides a detailed breakdown of key general membership survey questions, including member satisfaction with NDPERS Dakota Health Plan benefits and perception of core health plan customer services.

RESULTS OVERVIEW: SURVEY PARTICIPATION

This section details who responded to the general membership portion of the 2020 NDPERS/Sanford Health Plan Member Survey.

	GENERAL MEMBERSHIP SURVEY PARTICIPATION				
	All Policy Holders	Surveys Sent		Survey Responses	
	%	%	n	%	n
State Employees	59.9%	65.9%	4,941	43.1%	440
Medicare Retirees	26.0%	17.4%	1,308	45.3%	462
Political Subdivisions	13.2%	14.1%	1,060	6.7%	68
Pre-Retiree	.9%	2.5%	191	4.9%	50
Total Members		7,500		1,020	
Total Possible		25,696		7,500	
% Of Total Possible		29.2%		13.6%	

NOTES

- A total of 1,020 individuals returned a survey, delivering a response rate of 13.6%.
- A simple random sample of NDPERS was designed to provide a representative cross sample of NDPERS members - based online of business
- Overall policy holder distribution by line of business was derived from a Sanford Health Plan cleaned and deduplicated member list.
- Actual responses were not representative of the overall membership, and, in general, disproportionately reflect responses from Medicare Retirees. Medicare Retirees account for 26.0% of members but were responsible for 45.3% of responses.
- To account for the over-participation of Medicare Retirees, final results are presented by line-of-business, and, when applicable, results are weighted to accurately reflect the actual membership.
- The 1,020 responses have a +/- 3.0% margin of error.
- Given the variance in responses across questions, margins of error fluctuate and are not reported for each question.

GENERAL MEMBERSHIP SURVEY QUESTIONS

SURVEY QUESTION (#4)

How satisfied are you with your NDPERS Dakota Plan Health Benefits?

Use the 10-point scale below to tell us your opinion; 1 is "Not At All Satisfied" and 10 is "Extremely Satisfied."

Place a (✓) beneath one number.

Not at All Satisfied										Extremely Satisfied
1	2	3	4	5	6	7	8	9	10	
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

	SATISFACTION WITH HEALTH PLAN BENEFITS			
	Responses	Distribution		Average
	n	Satisfied %	Not Satisfied % (n)	out of 10
State Employees	603	85%	15%	7.6
Medicare Retirees	261	96%	4%	8.8
Political Subdivisions	130	90%	10%	7.9
Pre-Retiree	9	96%	4%	8.3
Weighted Totals		89%	11%	8.0/10

NOTES

- For purposes of this analysis, values 1 to 5 were considered "Not Satisfied" and values 6 to 10 were considered "Satisfied."

SURVEY QUESTION (#6)

Printed materials or internet resources help you understand how your health plan works.

Consider any information about your benefits provided by [Sanford Health Plan](#), which may include written materials or information available on Sanford Health Plan's website. Place a (✓) below one of the options below. If you have not read any printed materials or internet resources, please choose the "N/A" option.

Strongly Disagree			Strongly Agree	N/A
1	2	3	4	
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

	PRINTED MATERIALS OR INTERNET RESOURCES ARE HELPFUL			
	Responses	Distribution		Average
		Agree %	Disagree %	
State Employees	530	86%	14%	3.2
Medicare Retirees	182	92%	8%	3.4
Political Subdivisions	117	85%	15%	3.2
Pre-Retiree	7	87%	13%	3.3
Weighted Totals		87%	13.0%	3.3/4

NOTES

- For purposes of this analysis, values 1 and 2 were considered "Disagree" and values 3 and 4 were considered "Agree."
- This question was 1 of 4 questions that came after the following survey instructions: "For the next 4 questions, read each statement and rate your experience. Use the 4-point scale to tell us your opinion; 1 is 'Strongly Disagree' and 4 is 'Strongly Agree.' If the statement doesn't apply to you, choose the N/A option."

SURVEY QUESTION (#7)

Explanation of Benefits (EOB) documents are easy to understand.

Place a (✓) below one of the options below. If you have not received an explanation of benefits, please choose the "NA" option.

Strongly Disagree			Strongly Agree	N/A
1	2	3	4	
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

	EOBs ARE EASY TO UNDERSTAND			
	Responses	Distribution		Average
	n	Agree %	Disagree %	out of 4
State Employees	578	83%	17%	3.1
Medicare Retirees	231	92%	8%	3.4
Political Subdivisions	129	92%	8%	3.5
Pre-Retiree	9	94%	6%	3.4
Weighted Totals		87%	13%	3.2/4

NOTES

- For purposes of this analysis, values 1 and 2 were considered "Disagree" and values 3 and 4 were considered "Agree."
- This question was 1 of 4 questions that came after the following survey instructions: "For the next 4 questions, read each statement and rate your experience. Use the 4-point scale to tell us your opinion; 1 is 'Strongly Disagree' and 4 is 'Strongly Agree.' If the statement doesn't apply to you, choose the N/A option."

SURVEY QUESTION (#8)

Health insurance claims are processed in a timely manner.

Place a (✓) below one of the options below. If you have not received any services that generated a health insurance claim, please choose the "N/A" option.

Strongly Disagree				Strongly Agree	N/A
1	2	3	4		
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

	CLAIMS ARE PROCESSED IN A TIMELY MANNER			
	Responses	Distribution		Average
	n	Agree %	Disagree %	out of 4
State Employees	586	86%	14%	3.3
Medicare Retirees	253	96%	4%	3.6
Political Subdivisions	131	91%	9%	3.4
Pre-Retiree	9	96%	4%	3.6
Weighted Totals		89%	11%	3.4/4

NOTES

- For purposes of this analysis, values 1 and 2 were considered "Disagree" and values 3 and 4 were considered "Agree."
- This question was 1 of 4 questions that came after the following survey instructions: "For the next 4 questions, read each statement and rate your experience. Use the 4-point scale to tell us your opinion; 1 is 'Strongly Disagree' and 4 is 'Strongly Agree.' If the statement doesn't apply to you, choose the N/A option."

SURVEY QUESTION (#9)**Health insurance claims are processed accurately.**

Place a (✓) below one of the options below. If you have not received any services that generated a health insurance claim, please choose the "N/A" option.

Strongly Disagree				Strongly Agree	N/A
1	2	3	4		
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

	CLAIMS ARE PROCESSED ACCURATELY			
	Responses	Distribution		Average
	n	Agree %	Disagree %	out of 4
State Employees	580	90%	10%	3.3
Medicare Retirees	251	98%	2%	3.7
Political Subdivisions	129	95%	5%	3.5
Pre-Retiree	9	96%	4%	3.6
Weighted Totals		93%	7%	3.5/4

NOTES

- For purposes of this analysis, values 1 and 2 were considered "Disagree" and values 3 and 4 were considered "Agree."
- This question was 1 of 4 questions that came after the following survey instructions: "For the next 4 questions, read each statement and rate your experience. Use the 4-point scale to tell us your opinion; 1 is 'Strongly Disagree' and 4 is 'Strongly Agree.' If the statement doesn't apply to you, choose the N/A option."

MEMBER SERVICES CALL CENTER

Detailed Topline Survey Results

This section provides a detailed breakdown of questions asked in the member services call center portion of the survey.

RESULTS OVERVIEW: MEMBER SERVICES SURVEY PARTICIPATION

This section details who responded to Member Services call center portion of the 2018 NDPERS/Sanford Health Plan Member Survey.

SURVEY QUESTION (#16)

Have you called the Sanford Health Plan Member services center in the past 6 months?

Place a (✓) next to one of the options below.

- No → (You are finished with the survey. Please do not complete the remaining questions).
- Yes → (Please continue to Question 17).

	MEMBER SERVICES CALL CENTER SURVEY PARTICIPATION	
	Survey Responses (Yes to Q16)	
	%	n
State Employees	28%	168
Medicare Retirees	13%	32
Political Subdivisions	15%	20
Pre-Retiree	18%	2
<i>Total Callers</i>	222	
<i>Total Possible</i>	990	
% Of Total Possible	22%	

NOTES

- A total of 222 individuals - or 22% of all survey responders - reported calling members services in the past six months, a result that closely tracks with actual call volumes.
- 222 responses produce a +/-6.6% margin of error. Given the variance in responses across questions, margins of error fluctuate and are not reported for each question.
- To account for variance in participation, results are weighted by line-of-business to accurately reflect the actual membership.
- Overall policy holder distribution by line of business was derived from a Sanford Health Plan deduplicated member list.

MEMBER SERVICES CENTER SURVEY QUESTIONS

SURVEY QUESTION (#17)

How satisfied were you with the service you received when you called member services?

Use the 10-point scale below to tell us your opinion; 1 is "Not At All Satisfied" and 10 is "Extremely Satisfied."

Place a (✓) beneath one number.

Not at All Satisfied										Extremely Satisfied
1	2	3	4	5	6	7	8	9	10	
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

SATISFACTION WITH MEMBER SERVICES CALL CENTER SERVICE				
	Responses	Distribution		Average
	n	Satisfied %	Not Satisfied % (n)	out of 10
State Employees	171	80%	20%	7.5
Medicare Retirees	32	93%	7%	8.6
Political Subdivisions	20	90%	10%	9.0
Pre-Retiree	2	88%	12%	8.7
Weighted Totals		83%	17%	7.7/10

NOTES

- For purposes of this analysis, values 1 to 5 were considered "Not Satisfied" and values 6 to 10 were considered "Satisfied."

SURVEY QUESTION (#18)**Why did you call the member services call center?**

Place a (✓) next to one of the options below.

- ☐ To get information about coverage or benefits
- ☐ To ask a question about a health insurance claim or explanation of benefits (EOB)
- ☐ To discuss or obtain prior authorization
- ☐ To check provider participation status
- ☐ To initiate an appeal
- ☐ Other - Please specify _____

	REASON FOR CALLING MEMBER SERVICES					
	Benefits Info	Claim or EOB	Prior Auth	Provider Status	Appeal Claim	Other
State Employees	48%	22%	10%	2%	3%	14%
Medicare Retirees	38%	17%	6%	4%	4%	32%
Political Subdivisions	50%	20%	10%	0%	0 %	20%
Pre-Retiree	63%	38%	0%	0%	0%	0%
Weighted %	47%	21%	9%	2%	3%	17%

SURVEY QUESTION (#19)**How long did it take the representative to provide the information or help you needed?**Place a (✓) next to one of the options below.

- ☐ The issue was addressed during the initial call
- ☐ Less than 24 hours
- ☐ Less than 1 week
- ☐ 1 to 2 weeks
- ☐ 3 or more weeks
- ☐ The issue was not resolved

	LENGTH OF TIME TO PROBLEM RESOLUTION					
	Right Away	Less than 24 hours	Less than 1 week	1 to 2 Weeks	3+ Weeks	Not Resolved
State Employees	65%	7%	11%	2%	3%	12%
Medicare Retirees	71%	4%	11%	5%	2%	7%
Political Subdivisions	90%	0%	0%	0%	0%	10%
Pre-Retiree	67%	22%	0%	0%	0%	11%
Weighted %	68%	6%	10%	2%	3%	11%

SURVEY QUESTION (#20)**How long did you have to wait before you were able to talk a to customer service representative?**Place a (✓) next to one of the options below.

- ☐ The call was answered immediately by a representative
- ☐ Less than 1 minute
- ☐ 1 to 2 minutes
- ☐ Longer than 2 minutes
- ☐ I hung up before talking to a customer service representative.
- ☐ Don't Know / Don't Remember

	WAIT TIME BEFORE TALKING TO A REPRESENTATIVE					
	Right Away	Less than 1 minute	1 to 2 Minutes	2+ Minutes	Hung Up	Don't Know
State Employees	12%	24%	28%	20%	2%	14%
Medicare Retirees	24%	25%	20%	18%	0%	13%
Political Subdivisions	20%	50%	30%	0%	0%	0%
Pre-Retiree	33%	22%	22%	1%	0%	11%
Weighted %	15%	26%	27%	18%	1%	12%

SURVEY QUESTION (#21)**The customer service representative treated you with courtesy and respect.**Place a (✓) below one of the options below.

Strongly Disagree			Strongly Agree
1	2	3	4
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

REPRESENTATIVE TREATED YOU WITH COURTESY AND RESPECT				
	Responses	Distribution		Average
	n	Agree %	Disagree %	out of 4
State Employees	167	97%	3%	3.7
Medicare Retirees	32	95%	5%	3.8
Political Subdivisions	20	100%	0%	3.9
Pre-Retiree	2	100%	0%	3.7
Weighted Totals		97%	3%	3.7/4

NOTES

- For purposes of this analysis, values 1 and 2 were considered "Disagree" and values 3 and 4 were considered "Agree."
- This question was 1 of 4 questions that came after the following survey instructions: "For the next 4 questions, read each statement and rate your experience. Use the 4-point scale to tell us your opinion; 1 is 'Strongly Disagree' and 4 is 'Strongly Agree.' If the statement doesn't apply to you, choose the N/A option."

SURVEY QUESTION (#22)**The customer service representative was knowledgeable.**Place a (✓) below one of the options below.

Strongly Disagree			Strongly Agree
1	2	3	4
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

	REPRESENTATIVE WAS KNOWLEDGEABLE			
	Responses	Distribution		Average
	n	Agree %	Disagree %	out of 4
State Employees	168	92%	8%	3.5
Medicare Retirees	32	92%	8%	3.6
Political Subdivisions	20	100%	0%	3.9
Pre-Retiree	2	89%	11%	3.3
Weighted Totals		93%	7%	3.6/4

NOTES

- For purposes of this analysis, values 1 and 2 were considered "Disagree" and values 3 and 4 were considered "Agree."
- This question was 1 of 4 questions that came after the following survey instructions: "For the next 4 questions, read each statement and rate your experience. Use the 4-point scale to tell us your opinion; 1 is 'Strongly Disagree' and 4 is 'Strongly Agree.' If the statement doesn't apply to you, choose the N/A option."

SURVEY QUESTION (#23)

The customer service representative answered my questions clearly and completely.

Place a (✓) below one of the options below.

Strongly Disagree			Strongly Agree
1	2	3	4
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

REPRESENTATIVE ANSWERS WERE CLEAR AND COMPLETE				
	Responses	Distribution		Average
	n	Agree %	Disagree %	out of 4
State Employees	167	87%	13%	3.5
Medicare Retirees	32	89%	11%	3.6
Political Subdivisions	20	90%	10%	3.7
Pre-Retiree	2	89%	11%	3.4
Weighted Totals		87%	13%	3.5/4

NOTES

- For purposes of this analysis, values 1 and 2 were considered "Disagree" and values 3 and 4 were considered "Agree."
- This question was 1 of 4 questions that came after the following survey instructions: "For the next 4 questions, read each statement and rate your experience. Use the 4-point scale to tell us your opinion; 1 is 'Strongly Disagree' and 4 is 'Strongly Agree.' If the statement doesn't apply to you, choose the N/A option."

SURVEY QUESTION (#24)

The customer service representative completed any follow-up that was promised.

Place a (✓) below one of the options below. If your call did not require follow-up, please choose the "N/A" option.

Strongly Disagree			Strongly Agree	N/A
1	2	3	4	
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

	REPRESENTATIVE COMPLETED PROMISED FOLLOW-UP			
	Responses	Distribution		Average
	n	Agree %	Disagree %	out of 4
State Employees	71	80%	20%	3.3
Medicare Retirees	18	84%	16%	3.4
Political Subdivisions	14	100%	0%	3.9
Pre-Retiree	1	75%	25%	3.0
Weighted Totals		84%	16%	3.4/4

NOTES

- For purposes of this analysis, values 1 and 2 were considered "Disagree" and values 3 and 4 were considered "Agree."
- This question was 1 of 4 questions that came after the following survey instructions: "For the next 4 questions, read each statement and rate your experience. Use the 4-point scale to tell us your opinion; 1 is 'Strongly Disagree' and 4 is 'Strongly Agree.' If the statement doesn't apply to you, choose the N/A option."

OPEN-ENDED RESPONSES

QUALITATIVE SUMMARY

This section provides an overview of qualitative methodology and a summary of open-ended responses to the 1 open-ended question asked to NDPERS members.

SUMMARY: MEMBER OPEN-ENDED COMMENTS

SURVEY QUESTION (#5)

Why did you give your NDPERS Dakota Plan Health Benefits that rating?

In the previous question, you rated your satisfaction with NDPERS Dakota Plan Health Benefits. Use the space below to briefly explain your satisfaction with your NDPERS Dakota Health Plan benefits.

Category	OPEN-ENDED COMMENT SUMMARY				
	Number of Statements	Percent of Respondents	% Positive	% Neutral	% Negative
Coverage of Services	324	42%	35%	15%	61%
General Comment / No Issues	179	32%	43%	72%	3%
Cost	38	5%	2%	1%	11%
Customer Services / Communication	38	5%	6%	2%	4%
Wellness Program / Fitness Reimbursement / Silver Sneakers	38	5%	2%	2%	9%
Billing / EOB / Payments	35	4%	6%	3%	3%
Timely / Speed / Efficient	17	3%	3%	0%	2%
Easy / Simple	16	2%	2%	0%	3%
Quality of Care / Doctors	8	2%	1%	0%	1%
Choice / Network	7	1%	1%	1%	1%
Total	780				

NOTES

- Each statement was coded and categorized into 10 categories.
- Additionally, each statement was analyzed and coded as either having a positive, negative or neutral tone.

RESPONDENT CHARACTERISTICS

Detailed Topline Survey Results

This section provides detailed breakdowns of demographic questions and other questions that describe the individuals who participated in the survey. Results in this section are weighted to line of business expected ratios.

SURVEY QUESTION (#1)**When was the last time you received health services that led to a health insurance claim?**

Consider any service that impacts your individual or family deductible or coinsurance. Examples include services provided by physicians, hospitals, laboratories or pharmacies. Place a (✓) next to one of the options below.

- Within the last 30 days
- 1 to 2 months ago
- 3 to 4 months ago
- 5 to 6 months ago
- More than 6 months ago
- N/A - Neither I nor my family have used any services that led to a health insurance claim

	LAST TIME USED HEALTH SERVICES					
	<30 Days	1-2 Mo.	3-4 Mo	5-6 Mo	6+ Mo	N/A
State Employees	61%	23%	6%	2%	5%	3%
Medicare Retirees	57%	19%	13%	4%	6%	2%
Political Subdivisions	44%	22%	15%	12%	7%	0%
Pre-Retiree	62%	22%	6%	6%	4%	0%
Weighted %	57%	22%	9%	4%	5%	2%
Totals (n=1,019)						

	USED HEALTH SERVICES IN THE PAST 6 MONTHS			
	Used Within Last 6 Months		Not Used Within Last 6 Months	
	n	%	n	%
State Employees	565	93%	46	8%
Medicare Retirees	245	93%	75	7%
Political Subdivisions	125	93%	19	7%
Pre-Retiree	9	96%	0	4%
Weighted%		93%		7%
Totals (n=1747)				

SURVEY QUESTION (#2)**Which health prevention or health screening services do you use?**

Place a (✓) next to every prevention or screening service used by you or any member of your family.

- Annual physical examination
- Immunizations, such as flu shots
- Well Child Care services
- Cancer screening services, such as breast cancer or colon cancer screenings.
- Other (please specify) _____
- N/A - Neither I nor my family use prevention or screening services

	USE OF PREVENTATIVE HEALTH SERVICES					
	Annual Physical	Flu Shots & Immun.	Cancer Screening	Well Child Care	Other	N/A
State Employees	83%	72%	62%	22%	20%	2%
Medicare Retirees	85%	82%	61%	0%	15%	2%
Political Subdivisions	86%	58%	60%	9%	11%	3%
Pre-Retiree	86%	78%	73%	0%	14%	0%
Weighted%	84%	73%	61%	14%	17%	2%

SURVEY QUESTION (#3)**Which NDPERS Dakota Wellness Program benefits do you use?**

Place a (✓) next to every NDPERS Dakota Wellness Program benefit used by you or any member of your family.

- Worksite education or wellness activities (newsletters, book clubs, wellness challenges)
- Fitness Center Reimbursement Program
- Tobacco Cessation, Diabetes Management or Healthy Pregnancy programs
- The Staywell online wellness portal
- Other (please specify) _____
- N/A - Neither I nor my family use NDPERS Dakota Wellness Program benefits

	USE OF WELLNESS SERVICES					
	Don't Use Wellness Benefits	Worksite Wellness	Wellness Portal Powered by WebMD	Fitness Center Reimbursement	Tobacco, Diabetes, or Pregnancy Programs	Other
State Employees	43%	39%	34%	12%	6%	2%
Medicare Retirees	68%	8%	9%	12%	9%	4%
Political Subdivisions	43%	34%	24%	10%	10%	1%
Pre-Retiree	65%	4%	17%	19%	8%	2%
Weighted%	49%	31%	26%	12%	7%	3%

SURVEY QUESTION (#13)**Which health insurance plan do you have?**Place a (✓) next to one of the options below.

- ☐ NDPERS PPO/Basic Plan
- ☐ NDPERS High Deductible Health Plan (HDHP)
- ☐ NDPERS Dakota Retiree Plan (Medicare)
- ☐ Don't Know / Unsure

	TYPE OF HEALTH PLAN		
	PPO Basic	HDHP	Retiree Plan
State Employees	91%	5%	1%
Medicare Retirees	4%	0%	90%
Political Subdivisions	94%	2%	0%
Pre-Retiree	56%	2%	35%
Weighted %	68%	3%	24%
Totals (n=981)			

SURVEY QUESTION (#14)**How many people in your household are covered by your NDPERS Dakota Plan Health Benefits?**Place a (✓) next to one of the options below.

- ☐ 1
- ☐ 2
- ☐ 3
- ☐ 4 or more

	NUMBER IN HOUSEHOLD COVERED BY BENEFITS			
	1	2	3	4 or More
State Employees	18%	35%	15%	32%
Medicare Retirees	61%	39%	0%	0%
Political Subdivisions	37%	35%	12%	15%
Pre-Retiree	31%	63%	6%	0%
Weighted %	32%	37%	11%	21%
Totals (n=999)				

SURVEY QUESTION (#15)**How old are you?**

Place a (✓) next to one of the options below.

- ☐ Under 25 years old
- ☐ 25 to 34 years old
- ☐ 35 to 44 years old
- ☐ 45 to 54 years old
- ☐ 55 to 64 years old
- ☐ 65 years or older

	AGE DISTRIBUTION					
	<25	25-34	35-44	45-54	55-64	65+
State Employees	1%	7%	19%	27%	35%	11%
Medicare Retirees	0%	0%	0%	0%	1%	99%
Political Subdivisions	2%	5%	8%	20%	53%	14%
Pre-Retiree	0%	0%	0%	0%	98%	2%
Weighted %	1%	5%	12%	19%	29%	34%

Totals (n=1,002)



**North Dakota
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Memorandum

TO: NDPERS Board

FROM: Scott

DATE: August 16, 2022

SUBJECT: Health Insurance Renewal

The memo I provided at the February, 2022 meeting (attached) provides the statutory requirements regarding the health insurance renewal process. To summarize:

- 1) The Board must have its consultant independently prepare a renewal estimate for the Board to use in determining the reasonableness of the proposed premium;
- 2) The Board must review the carrier's relevant performance measures and use them to determine the Board's satisfaction with the carrier's performance;
- 3) The Board must consider other relevant information, including:
 - a. The economy to be effected.
 - b. The ease of administration.
 - c. The adequacy of the coverages.
 - d. The financial position of the carrier, with special emphasis on the solvency of the carrier.
 - e. The reputation of the carrier and any other information available tending to show past experience with the carrier in matters of claim settlement, underwriting, and services.

Deloitte has prepared a renewal estimate, which we will review with the Board in closed session after Sanford's presentation. Sanford has presented its member survey results, and during this agenda topic will make its renewal presentation incorporating additional considerations for the Board and the proposed renewal premium.

As we have in the past, we have obtained Sanford Health's assurance that it financially backs Sanford Health Plan and its provision of health insurance to NDPERS' participants. We have also reached out to the Insurance Department for any information they have regarding SHP's performance and financial position, and they report that they have no solvency concerns with SHP.

Next month we will bring the renewal topic back for a final review of any additional information the Board needs. The Board will make a decision in September on whether to renew with SHP or issue an RFP for the health plan.

Board Action Requested: Provide staff with guidance (in closed session) regarding negotiation strategy with SHP for a possible renewal.



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Attachment

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Memorandum

TO: NDPERS Board

FROM: Scott

DATE: February 8, 2022

SUBJECT: Health Insurance Renewal

As you will recall, our health plan contract with Sanford Health Plan (SHP) runs for two years (biennium), with two additional possible two-year renewals. The current contract, the first two years of the possible six years, runs through June of 2023. Because an RFP in the event we do not renew takes so much time, we need to begin the process to determine if the Board would like to renew with SHP for another two years.

The timeframe for this process is as follows:

- July/August – obtain renewal estimate from Deloitte
- August – receive and consider the proposed renewal and other required information
- September – determine whether to renew or issue an RFP

If the Board decides to issue an RFP, the timeframe for that is as follows:

- September – issue RFP
- November/December – receive RFPs
- February – award the plan for the 2023-2025 biennium

To expedite the RFP process in the event the Board goes that direction, staff will be reviewing/editing the previous RFP over the next couple of months, and will bring the final product to the Board for it's approval prior to the September issue date.

The statutory requirements for renewal are found in NDCC section 54-52.1-05(2):

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.

The proposed premium renewal amount has historically been the sticking point in the renewal process. Four years ago the initial renewal numbers from Deloitte and SHP were quite different, and the Board came very close to doing an RFP rather than renewing. We were eventually able to agree on a renewal premium after the continued sharing of information and several negotiation meetings.

As we have in the past, we will have Deloitte prepare a renewal estimate for the Board's use in the negotiation process, as required by subsection 2(b)(1). SHP will also perform its usual customer survey, which it will present to the Board in March, which satisfies some of the requirements in subsection 2(b)(2).

In 2016 and 2018, SHP obtained an outside audit of the performance measures required in subsection 2(b)(2) and provided that information for the Board's consideration. We do not believe that was requested of BCBS in the past. Further, that audit is not required by the statutes – the performance metrics SHP presents to the Board seem to be all that is required. We presume we asked SHP for that additional level of assurance due to the political issues early in our relationship.

Given that those audits showed equal or better performance than SHP initially reported, we question whether we need that additional information going forward. Further, Bryan Reinhardt and Shawna Piatz go to SHP every year to perform an audit of SHP claims processing, which typically goes very well (they will share the most recent results with the Board in March). Thus, the Board should consider whether this additional effort, and the corresponding cost, is something it wants to continue to request.

The “additional information” the Board has typically reviewed to comply with subsection 2(b)(3) includes the information required by NDCC section 54-52.1-04(1) for an RFP:

- a. The economy to be effected.
- b. The ease of administration.
- c. The adequacy of the coverages.
- d. The financial position of the carrier, with special emphasis on the solvency of the carrier.
- e. The reputation of the carrier and any other information available tending to show past experience with the carrier in matters of claim settlement, underwriting, and services.

Little has changed since the 2020 RFP process regarding subsections 1(a), 1(b) and 1(c). As such, we may not need additional information on these. SHP’s performance measures and the customer survey should satisfy subsection 1(e). To satisfy subsection 1(d), the financial position of the carrier, in the past we have requested a letter from the President of Sanford Health, the overarching legal entity, confirming the financial stability of Sanford Health and its willingness to financially support SHP if needed. We will also reach out to the Insurance Department to see what information they have.

We have typically asked for the following additional information from SHP, and staff would recommend it for this renewal, as well:

- the effect on the rates of losing our Grandfathered status
- a schedule from Sanford Health Plan of the effect of plan design changes (deductibles, co-insurance, etc.)
- the cost of coverage changes (ACA benefits, coverage for birth control without cost sharing, additional wellness incentives such as smoking deterrents and re-starting the tobacco cessation program, etc.)
- information on the PERS special programs including wellness, About the Patient, and the Healthy Pregnancy Program

Board Action Requested:

1. Confirm the Board wishes to follow the process described above
2. Determine whether to ask SHP to obtain an audit of its performance measurements
3. Confirm requesting the additional information described above

Executive Session



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Memorandum

TO: NDPERS Board

FROM: Derrick Hohbein

DATE: August 16, 2022

SUBJECT: 2021 Active Health Care Report

Here is the NDPERS Active health care report for the 2021 calendar year.

Hospital utilization (55% of total charges) decreased 2.2%, physician/clinical utilization (35% of total charges) increased 4.3%, and pharmacy utilization (10% of total charges) increased 2.8%. Overall the combined utilization results in an overall per capita cost decrease of 8.6% for the calendar year ending 2021.

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



2021 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 2021, there were 18,167 active North Dakota state employees enrolled as the main subscriber in the Plan. These employees have an additional 30,964 dependents.

Hospital

The state's health plan members incurred 472,982 hospital claims/services from January to December 2021. These claims amounted to \$369,031,112.05 total charges. The NDPERS Health Plan paid \$125,504,87.49 toward these charges

HOSPITAL UTILIZATION

ADMISSION: 01/2021 - 12/2021

	CLAIMS	%	CHARGES	PAID
OTHER	9,321	2	\$25,125,655	\$8,255,416
IP NEWBORN	2,519	1	\$10,202,187	\$3,726,062
IP MEDICAL	117,138	25	\$81,650,184	\$22,500,321
IP MATERNITY	381	0	\$617,615	\$213,574
IP SURGICAL	13,086	3	\$87,921,193	\$27,041,298
IP PSYCH	1,768	0	\$7,840,178	\$2,357,893
IP CHEM DEP	1,602	0	\$3,542,831	\$1,029,936
OP SURGICAL	3,345	1	\$9,001,224	\$4,133,034
OP MEDICAL	321,793	68	\$142,158,676	\$55,693,167
SNF, HOSPICE & SWING BED	467	0	\$312,610	\$120,865
HOME HEALTH AG	1,562	0	\$658,760	\$433,304
TOTAL	472,982	100	\$369,031,112	\$125,504,870

CLAIM TYPE: IP=Inpatient OP=Outpatient

Physician/Clinic

ND active employees incurred 1,169,105 physician/clinic services from January to December 2021. These services amounted to \$234,574,036.46 in total charges. The NDPERS Health Plan paid \$106,010,239.66 toward these charges.

PHYSICIAN/CLINIC UTILIZATION

SERVICE DATE: 01/2021 - 12/2021

	SERVICES	%	CHARGES	PAID
SURGERY-OP	7,656	1	\$9,483,406	\$4,379,568
IP VISITS	87,413	7	\$43,058,376	\$18,776,541
OP / ER VISITS	22,802	2	\$8,334,436	\$3,608,860
OFFICE CALLS	928,654	79	\$159,940,237	\$74,678,256
CHEM/PSYCH	1,621	0	\$346,490	\$190,030
THERAPIES	121	0	\$48,883	\$24,834
DIAGNOSTIC	120,838	10	\$13,362,209	\$4,352,150
TOTAL	1,169,105	100	\$234,574,036	\$106,010,239



Prescription Drugs

ND active employees incurred 615,855 pharmacy claims from January to December 2021. These claims amounted \$70,232,479.15 in total charges. The NDPERS Health Plan paid \$62,757,749.12 toward these charges.

PRESCRIPTION DRUGS UTILIZATION

FILL DATE: 01/2021 - 12/2021

	CLAIMS	%	CHARGES	PAID
NON-GENERIC	112,933	18	\$60,657,601	\$56,512,839
GENERIC	502,922	82	\$9,574,878	\$6,244,910
TOTAL	615,855	100	\$70,232,479	\$62,757,749



Percentages

EMPLOYEES, SPOUSES, & CHILDREN BY MEMBERSHIP & CLAIM TYPE

MEMBERSHIP DATE: 01/2021 - 12/2021

	MEMBERSHIP		HOSPITAL CLAIMS		PHYSICIAN SERVICES		PHARMACY CLAIMS	
	Sum	%	Sum	%	Sum	%	Sum	%
CHILDREN	19,484	40	105,333	22	364,130	31	109,713	18
EMPLOYEE	18,167	37	217,078	46	495,070	42	311,039	51
SPOUSE	11,480	23	151,525	32	310,024	27	195,103	32
TOTAL	49,131	100	473,936	100	1,169,224	100	615,855	100



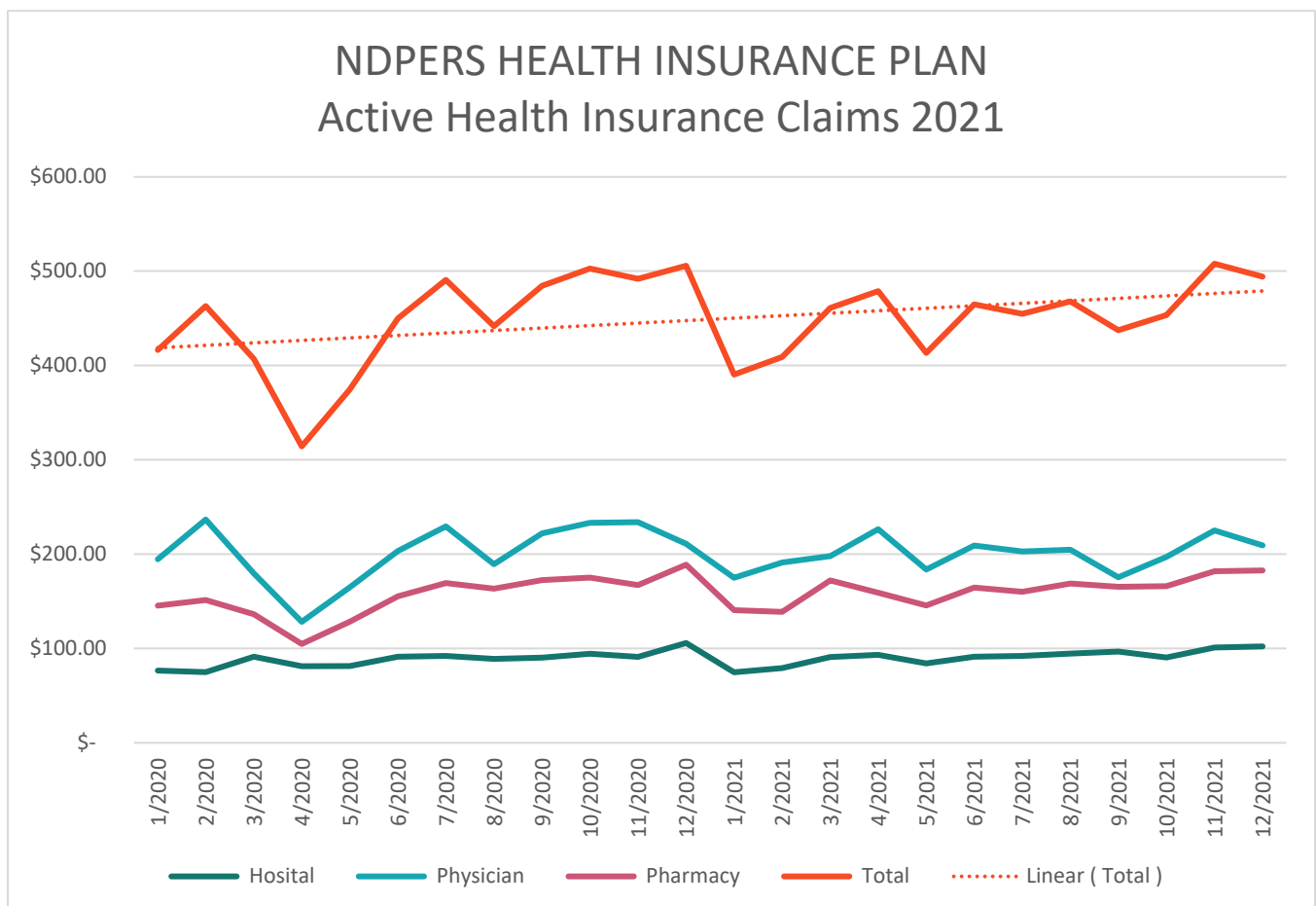
At a Glance

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 \$642 per capita level. The cost for dependents of active employees in the Plan ranges at about \$416 per person per month. The retired membership's per capita costs are close to \$264 per retiree and \$213 per dependent.

Overall, this graph reflects the 2021 NDPERS health plan cost per person per month stands at \$457 per person per month vs \$500 in 2020. 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/>



**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 Website www.ndpers.nd.gov

Memorandum

TO: NDPERS Board

FROM: Scott

DATE: August 16, 2022

SUBJECT: Waddell & Reed Reporting

Waddell & Reed has been a deferred compensation provider since at least 1998. They were one of the few providers that agreed to signing our fiduciary amendment, and so they are an active provider.

Unfortunately, their recent acquisition by the Fiduciary Trust Company of New Hampshire (FTC) has not resulted in positive changes, at least from NDPERS' perspective. Attached you will find a letter we sent to FTC on August 1st advising them of the myriad of problems we have recently had. The letter constitutes our 30-day notice of breach of the agreement.

As of the time I wrote this memo, we have not been contacted by FTC. I will let you know at the Board meeting whether I hear from them, and whether they will virtually attend the meeting to explain how they intend to remedy the various problems we currently face with their provision of services.

Board Action Requested: Determine whether to terminate the agreement with Waddell & Reed/FTC.



**North Dakota
Public Employees Retirement System**

1600 E Century Ave, Suite 2 • Box 1657
Bismarck, North Dakota 58502-1657

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

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

August 1, 2022

Fiduciary Trust Company of New Hampshire (FTC)
PO Box 219638
Kansas City, MO 64121-9638
Fax – 816-218-0421

Dear Sirs:

This is to notify you that NDPERS has repeatedly had issues with Waddell & Reed delivering accurate quarterly reports to NDPERS as required by Section II(C) of the signed Provider Administrative Agreement. Pursuant to section II(C) of the agreement, the provider is required to provide reports – accurately – within thirty days of the end of each reporting period. You are now in violation of that agreement.

Since Waddell & Reed transitioned to Fiduciary Trust Company of New Hampshire (FTC) in 2022, the quarterly statement reporting issues encountered previously have continued. The FTC statements also appear to have 12-15 different plans shown rather than being consolidated into one. In addition, FTC has failed at processing employee contributions timely. To our knowledge, participant contributions have not been deposited into accounts in over 10 weeks.

Given that you have failed to provide accurate reporting and timely posting of participant contributions, you are now in material breach of our agreement. The Retirement Board's remedy for your material breach is to inform the participants using your services of the breach and that the Board is commencing termination of its agreement with you as provided in Section II(C). This means you will no longer be eligible to supply services under the State of North Dakota Deferred Compensation Program and the participants will no longer be allowed to contribute to the program using you as their provider.

We will take this situation to the Board for its consideration at the August 16, 2022 Board meeting. If we do not have a designated point of contact for FTC (formerly Waddell & Reed) or you have otherwise failed to correct this situation by this meeting, I will recommend that the Board exercise its remedy and terminate this agreement. I suggest you make plans to attend this meeting, virtually or in person, to explain to the Board why you seem to have problems with basic reporting requirements and responding to our requests for information in a timely manner.

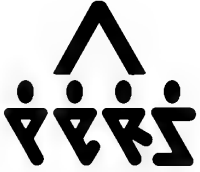
If you have any questions, please contact me.

Sincerely,

A handwritten signature in black ink, appearing to read 'Scott Miller', is written over a light blue horizontal line.

Scott Miller
Executive Director

Certified Mail: 7021 0350 0001 1030 5228



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Memorandum

TO: NDPERS Board

FROM: Derrick Hohbein

DATE: August 16, 2022

SUBJECT: TIAA Record Keepers Contract Extension

At the June 2022 NDPERS Board meeting, the Board approved extending the TIAA Record Keepers Contract for the NDPERS Deferred Compensation Plan. The agreement would be extended an additional 12 months at the same cost. Dean DePountis has reviewed this proposed contract extension.

BOARD ACTION:

Approve the contract addendum and authorize for signature by the Executive Director.

Third Addendum to Agreement for Services

This Third Addendum is between the State of North Dakota, acting through its North Dakota Public Employees Retirement System (EMPLOYER), and Teachers Insurance and Annuity Association (TIAA).

EMPLOYER and TIAA entered into an Agreement for Services (Agreement), effective from July 1, 2017 to June 30, 2019, the term of which was extended by Addendum to June 30, 2021 and subsequently extended by the Second Addendum to June 30, 2023. In its proposal to EMPLOYER, with an effective term of July 1, 2023 until June 30, 2024, TIAA offered to continue services with no rate increase. The EMPLOYER reviewed the offer, considered the matter, and passed a motion to accept the proposal.

EMPLOYER and TIAA therefore agree as follows:

- 1) TIAA will continue to provide services, with no rate increase, through June 30, 2024.
- 2) The Reconciliation Frequency will be changed to Quarterly from Semi-Annually effective as of July 1, 2022.
- 3) All other terms of the Agreement remain in effect.

The undersigned execute this Third Addendum to Agreement for Services on the most recent date below.

Teachers Insurance and Annuity Association

State of North Dakota through its
Public Employee Retirement System

Signature: Tonya Mooney

Signature: _____

Printed: Tonya Mooney

Printed: _____

Title: Director

Title: _____

Date: 8/8/2022

Date: _____

**Amendment No. 8 to the
Record Keeping Services Agreement
Between Teachers Insurance and Annuity Association of America (TIAA)
And State of North Dakota through its Public Employees Retirement System
Dated July 17, 2017**

Effective as of **July 1, 2022**, or such later date as the parties shall agree by Notice, the Record Keeping Services Agreement (“Agreement”), dated **July 17, 2017**, between Teachers Insurance and Annuity Association of America (“TIAA”) and **State of North Dakota through its Public Employees Retirement System** (“Employer”) as Sponsor of the **North Dakota Defined Contribution Retirement Plan** and the **North Dakota State Deferred Compensation Plan** (the “Plan(s)”), is hereby amended with this Amendment No. 8 to the Recordkeeping Services Agreement (“Amendment”) as follows:

- 1. The first two paragraphs of Subsection 8.1 of Section 8 (“Fees & Compensation for Services”) are hereby amended to extend the Revenue Requirement Term and to change the reconciliation frequency and read as follows:**

8. FEES & COMPENSATION FOR SERVICES

- 8.1 TIAA’s annual revenue requirement for the services under this Agreement is **0.23% (23 basis points)** multiplied by plan assets equals, the “Revenue Requirement”) per Plan. TIAA’s Revenue Requirement for the Plan(s) will remain in effect for the period ending **June 30, 2024** (the “Revenue Requirement Term”). In the event that the Revenue Requirement has not been adjusted after the end of the Revenue Requirement Term, the current Revenue Requirement and how such Revenue Requirement shall be paid will remain in effect until such time as a new Revenue Requirement is established.

TIAA will compare the Revenue Requirement to the revenue generated by such Plan on a **quarterly** basis to determine if the Plan generated sufficient revenue to meet TIAA’s Revenue Requirement (“Reconciliation Process”). TIAA will provide the Employer a Reconciliation report accessible on PlanFocus, TIAA’s administrative web service, which will provide the results of the Reconciliation Process. The revenue generated by a Plan that is considered by the Reconciliation Process to pay for TIAA’s Revenue Requirement for that Plan may be attributable to the following:



IN WITNESS WHEREOF, the authorized representatives of the parties have caused this Amendment to be executed by the dates stated below, but effective as of the dates stated herein.

Teachers Insurance and Annuity Association of America

By: Tonya Mooney
Print Name: Tonya Mooney
Title: Director

Date: 8/8/2022

State of North Dakota through its Public Employees Retirement System

By: _____

Date: _____

Print Name:

Title:

This Agreement may be electronically signed and, in that event, the signatures of one or more of the relevant parties to this Agreement may be appended to the end of this Agreement and the applicable signature(s) on this page will remain blank.



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Scott A. Miller
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Fax (701) 328-3920 Email ndpers-info@nd.gov Website www.ndpers.nd.gov

Memorandum

TO: NDPERS Board

FROM: Derrick Hohbein

DATE: August 16, 2022

SUBJECT: Callan Renewal Amendment

At the June 2022 NDPERS Board meeting, the Board approved renewal of the investment consultant contract with Callan for two years beginning January 1, 2023. Callan proposed a 3% annual increase to \$51,294 for 2023 and \$52,832 for 2024. The record keeper search would also increase 3% annually, so the cost of the record keeper search will be contingent depending what year we would work on that project. Dean has reviewed the attached addendum and did not have any concerns with what Callan is including in their contract.

BOARD ACTION:

Approve the contract addendum and authorize for signature by the Executive Director.

AGREEMENT FOR SERVICES

AGREEMENT FOR SERVICES BETWEEN CALLAN LLC AND NORTH DAKOTA PUBLIC EMPLOYEES RETIREMENT SYSTEM

Callan LLC (hereinafter CONTRACTOR) has offered to provide services to the State of North Dakota acting through its Public Employees Retirement System (hereinafter NDPERS). The Contract in force from January 1, 2021 through December 31, 2022 is hereby extended from January 1, 2023 through December 31, 2024. The original agreement and this amendment shall constitute the consulting 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 2020 RFP and proposal (attached hereto and incorporated by reference Exhibit A). It is understood and agreed that CONTRACTOR's services (the "Services") may include advice and recommendations, but all decisions in connection with the implementation of such advice and recommendations shall be the responsibility of, and made by, NDPERS. During the performance of Services by CONTRACTOR, NDPERS will retain and exercise all decision-making authority with respect to the management and administration of the retirement plans funded by NDPERS and investments relating thereto.
- 2) **TERM:** The term of this contract shall commence January 1, 2023, and end December 31, 2024.
- 3) **FEES:** NDPERS shall only pay pursuant to the terms in the Rule 408b-2 Disclosure dated July 29, 2022 (attached hereto and incorporated by reference Exhibit B).
- 4) **BILLINGS:** The CONTRACTOR shall receive payment from NDPERS upon the completion of the services identified in the respective invoice. The CONTRACTOR shall bill NDPERS monthly in arrears for Services rendered and expenses incurred in accordance with the terms hereof.
- 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:

- 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 Agreement or are no longer eligible for the funding proposed for payments authorized by this Agreement.
- 3) If any license, permit, or certificate required by applicable 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. However, the State expressly consents to CONTRACTOR entering into (i) subcontracts with its affiliates located in the United States, and (ii) third-party subcontracts provided that any such third-party 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 to the same extent as if such performance were done by CONTRACTOR. CONTRACTOR does not have authority to contract for or incur obligations on behalf of NDPERS.

Notwithstanding the foregoing, information shall not be considered confidential information to the extent that such information: (i) is already known to CONTRACTOR free of any restriction at the time it is obtained from NDPERS; (ii) is subsequently learned from an independent third party free of any known restriction and without breach of this Agreement; (iii) becomes publicly available through no wrongful act of CONTRACTOR; (iv) is independently developed by CONTRACTOR without reference to any confidential information of NDPERS; or (v) is required to be disclosed by law, regulation, court order or subpoena, provided that CONTRACTOR will exercise reasonable efforts to notify NDPERS prior to disclosure.

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 contract, 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 contract, except for records that are confidential under this contract, may, under certain circumstances, be open to the public upon request under the North Dakota public records law. CONTRACTOR agrees to contact 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; provided, however, that CONTRACTOR shall not be responsible for responding to requests under the North Dakota public records law on behalf of NDPERS.

- 8) **APPLICABLE LAW AND VENUE:** This agreement shall be governed by and construed in accordance with the laws of the State of North Dakota. Any action to enforce this contract must be adjudicated exclusively in the State District Court of Burleigh County, North Dakota.
- 9) **MERGER AND MODIFICATION:** This Agreement shall constitute the entire agreement between the parties. 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 arising under or in relation to this Agreement 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.

Notwithstanding anything contained herein to the contrary, CONTRACTOR shall discharge its duties as a consultant in accordance with the terms of this Agreement and applicable law. NDPERS acknowledges and agrees (i) that CONTRACTOR has no authority or responsibility to manage or in any way direct the investment of any assets that are the subject of CONTRACTOR's consulting services provided under the terms of this Agreement, (ii) that CONTRACTOR has not and cannot make any promise, guarantee or other statement or representation regarding the future investment performance of such assets, and (iii) that CONTRACTOR will not be liable for any losses or expenses incurred as a result of any action or omission by an investment manager, custodian or other unrelated third party.

11) **INSURANCE**

CONTRACTOR shall secure and keep in force during the term of this Agreement, from insurance companies, government self-insurance pools or government self-retention funds, the following insurance coverages:

- 1) Commercial general liability, including premises or operations, contractual, and products or completed operations coverages (if applicable), with minimum liability limits of \$250,000 per person and \$1,000,000 per occurrence.
- 2) Professional errors and omissions with minimum liability limits of \$1,000,000 per occurrence and in the aggregate. CONTRACTOR shall continuously maintain such coverage during the contract 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.
- 3) Automobile liability, including Owned (if any), Hired, and Non-Owned automobiles, with minimum liability limits of \$250,000 per person and \$1,000,000 per occurrence.
- 4) Workers compensation coverage meeting all statutory requirements.

The 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.
- 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.
- 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 CONTRACTOR.
- 5) The insurance required in this Agreement, through a policy or endorsement, shall include:
 - a) "Waiver of Subrogation" waiving any right to recovery the insurance company may have against the State;

- b) a provision that CONTRACTOR's insurance coverage shall be primary (i.e. pay first) as respects any insurance, self-insurance or self-retention maintained by the State and that any insurance, self-insurance or self-retention maintained by the State shall be in excess of the CONTRACTOR's insurance and shall not contribute with it;
 - c) cross liability/severability of interest for all policies and endorsements;
 - d) The legal defense provided to the State under the policy and any endorsements must be free of any conflicts of interest, even if retention of separate legal counsel for the State is necessary;
 - e) The insolvency or bankruptcy of the insured CONTRACTOR shall not release the insurer from payment under the policy, even when such insolvency or bankruptcy prevents the insured CONTRACTOR from meeting the retention limit under the policy.
- 5) CONTRACTOR shall furnish a certificate of insurance to the undersigned State representative prior to commencement of this Agreement.
- 6) Failure to provide insurance as required in this Agreement is a material breach of contract entitling State to terminate this Agreement immediately.
- 7) CONTRACTOR shall provide at least 30 day notice of any cancellation or material change to the policies or endorsements.
- 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 facilities 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. NDPERS acknowledges and agrees that the CONTRACTOR's performance is dependent upon the timely and effective satisfaction of NDPERS's responsibilities hereunder and timely decisions and approvals of NDPERS in connection with the Services. The CONTRACTOR shall be entitled to rely on all decisions and approvals of NDPERS. NDPERS shall be solely responsible for, among other things: (i) making all management decisions and performing all management functions; (ii) designating a competent management member to oversee the Services; (iii) evaluating the adequacy and results of the Services; and (iv) establishing and maintaining internal controls, including, without limitation, monitoring ongoing activities.
- 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:** NDPERS does not agree to any form of binding arbitration, mediation, or other forms of mandatory alternative dispute resolution. The parties have the right to enforce their rights and remedies in judicial proceedings. NDPERS 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
400 East Broadway, Suite 505
PO Box 1657
Bismarck, ND 58502-1657

CONTRACTOR:

Alex Browning, Senior Vice President
Callan LLC
1900 16th Street, Suite 1175
Denver, CO 80202

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 laws, rules, and policies, including those relating to nondiscrimination, accessibility and civil rights, as are applicable to CONTRACTOR. CONTRACTOR agrees to timely file all legally required reports, make required payroll deductions, and timely pay all taxes and premiums owed, including unemployment compensation and workers' compensation premiums. CONTRACTOR shall have and keep current at all times during the term of this contract all licenses and permits required by law.
- 19) **STATE AUDIT:** All records, regardless of physical form, and the accounting practices, and procedures of CONTRACTOR relevant to this Agreement are subject to examination by the North Dakota State Auditor, the Auditor's designee, or Federal auditors. CONTRACTOR shall maintain all of these records for at least three (3) years following completion of this Agreement and be able to provide them at any reasonable time. State, State Auditor, or Auditor's designee shall provide reasonable notice.
- 20) **POLICY REGARDING SECURITIES ADVICE:** CONTRACTOR shall not be responsible for reviewing or advising on the merits or risks of individual securities or derivatives holdings or purchase, sale or hedging strategies, the propriety of an individual security or derivative within a manager's investment management mandate, or on the conformity of individual securities holdings with NDPERS investment policy and guidelines. CONTRACTOR shall not be responsible for providing advice to plan participants.
- 21) **ADV Disclosure:** NDPERS acknowledges receipt of CONTRACTOR's disclosure statement, Form ADV, Parts 2A and 2B, more than 48 hours prior to the date of the execution of this Agreement.
- 22) **Manager Client List Disclosure:** NDPERS acknowledges receipt of CONTRACTOR's disclosure list of investment manager clients no later than the date of the execution of this Agreement.

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

**NORTH DAKOTA PUBLIC
EMPLOYEES RETIREMENT SYSTEM**

Scott Miller, Executive Director
ND Public Employees Retirement System

Date



Signature

Alex Browning
Printed Name

Senior Vice President
Title

July 29, 2022
Date

July 29, 2022

Rule 408b-2 Disclosure
Callan LLC ("Callan")
Exhibit B

Guide to Services & Compensation for:

North Dakota Public Employees' Retirement System

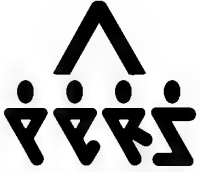
The following is a guide to important information that you should consider in connection with services provided by Callan to your fund(s).

Should you have any questions concerning this guide or the information provided to you concerning services or compensation, please do not hesitate to contact:

Contact Person Alexander Browning

Contact Info-Consultant E-mail Browning@callan.com

Required Information	Details
Description of services that Callan will provide to your plan.	DC Record Keeping Search DC General Consulting
A statement concerning the services that Callan will provide as a registered investment adviser	Callan is an investment adviser registered under the Investment Advisers Act of 1940.
Compensation Callan will receive from your Plan ("direct compensation"), and manner of receipt	In connection with the services described above, Callan expects to receive annual consulting fee of \$51,294 year three and \$52,832 year four. This consulting fee is subject to a fee increase as follows: \$49,440 if conducted in year 2; \$50,923 if conducted in year 3; \$52,450 if conducted in year 4. Fees for additional consulting services may also be mutually agreed upon by the parties. The Client will be billed for the advisory services on a quarterly basis, in arrears.
Compensation Callan will receive from other parties that are not related to Callan ("indirect compensation")	Not Applicable.
Compensation that will be paid among Callan and related parties	Not Applicable.
Compensation Callan will receive if you terminate your service agreement	Not Applicable.
The cost to your Plan of recordkeeping services	Not Applicable.
Fees and expenses relating to your Plan's investment options	Not Applicable.



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 Website www.ndpers.nd.gov

Memorandum

TO: NDPERS Board

FROM: Scott

DATE: August 16, 2022

SUBJECT: Legislative Relations

This is a placeholder for us to discuss any Legislative topics that have arisen the past month.



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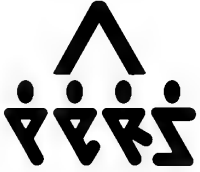
TO: NDPERS Board

FROM: Scott

DATE: August 16, 2022

SUBJECT: Legislative Update

The only Legislative Committee meeting since the last Board meeting was the Retirement Committee meeting on July 21st. I'll provide my thoughts on the meeting directly to the Board.



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Memorandum

TO: NDPERS Board

FROM: Scott Miller

DATE: August 16, 2022

SUBJECT: Code of Ethical Responsibility

The Board approved the attached Code of Ethical Responsibility at the February 12, 2019 meeting, and amended it last October per direction from the State Ethics Officer. Signing the Code is an annual requirement, to be done after the annual Fiduciary Responsibility education.

Board Action requested: Each Trustee should sign the Code of Ethical Responsibility and give it to Jan. Electronic signatures and scanned forms are acceptable, of course.

North Dakota Public Employees Retirement System Board of Trustees

Code of Ethical Responsibility

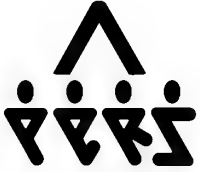
1. Each NDPERS Board and subcommittee member owes a duty to conduct themselves so as to inspire the confidence, respect and trust of the NDPERS members and to strive to avoid not only professional impropriety, but also the appearance of impropriety.
2. NDPERS Board and subcommittee members should perform 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 and subcommittee members should not allow their family, social, or other relationships to influence their judgement 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, favors, or the use of property or facilities of more than \$50 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.

NDPERS Trustee or subcommittee member

Date



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Memorandum

TO: NDPERS Board

FROM: Derrick Hohbein

DATE: August 16, 2022

SUBJECT: Assurance NM Testing

This is a test of our emergency communication network Assurance NM. You will get a test message on all media (phone, text, email) you have listed in PeopleSoft.

No Board Action is necessary, other than letting us know if you do NOT get the communication.