

NDPERS BOARD MEETING

Agenda

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

Conference Call #: 701.328.7850

Conference ID: 1415001

Participant Code: 108660

Tuesday, August 18, 2020

Time: 8:30 AM

I. MINUTES

- A. July 14, 2020

II. PRESENTATIONS

- A. Sanford Health Plan Executive Summary Quarter 1

III. GROUP INSURANCE

- A. Health Plan Request For Proposal *Executive Session – Bryan (Information)
- B. Vision Plan Contract Amendment – Rebecca (Board Action)
- C. Medicare Part D Renewal/Request For Proposal – Rebecca & Bryan (Board Action)
- D. Active Health Report – Bryan (Information)
- E. SHP Contract Amendment – Scott (Board Action)

IV. RETIREMENT

- A. Deferred Compensation Election Default Amount – MaryJo (Board Action)

V. MISCELLANEOUS

- A. Board Self-evaluation Follow-up – Scott (Information)
- B. Board Code of Ethical Responsibility – Scott (Board Action)
- C. Contracts Under \$10,000 – Scott (Information)

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

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



**North Dakota
Public Employees Retirement System**
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Bismarck, North Dakota 58502-1657

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Executive Director
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Memorandum

TO: NDPERS Board

FROM: Rebecca

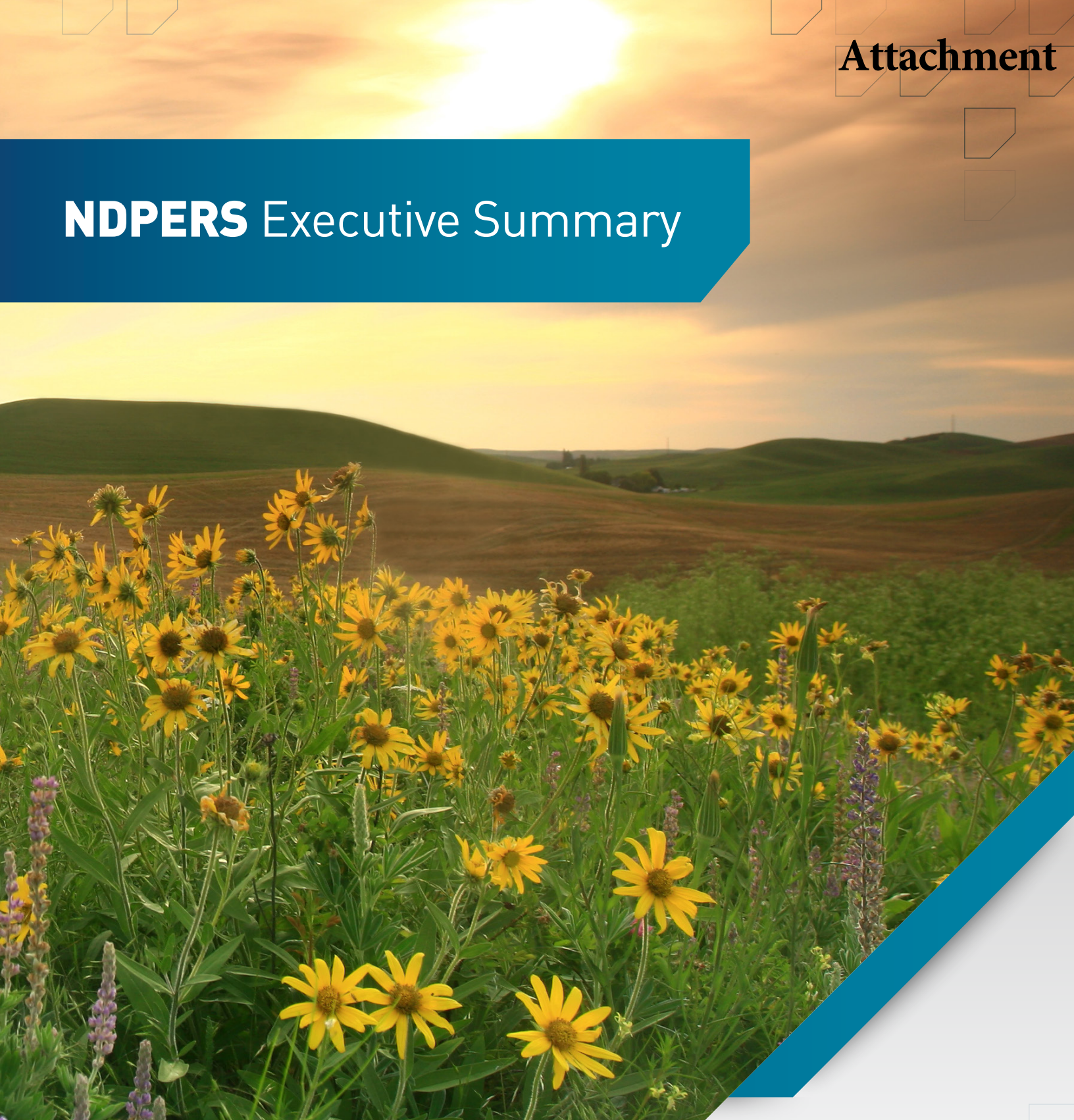
DATE: August 18, 2020

SUBJECT: SHP 2020 Quarter 1 Executive Summary

Sanford Health Plan (SHP) will be at the meeting to review the 2020 Quarter 1 Executive Summary and answer any questions you may have. The Summary is attached for your reference.

In addition, in follow-up to the question raised during the previous Executive Summary in May, SHP will also be discussing their plan to gauge outcomes related to the Tobacco Cessation Program.

NDPERS Executive Summary



Quarter 1 | 2020

Presented August 2020



SANFORD
HEALTH PLAN

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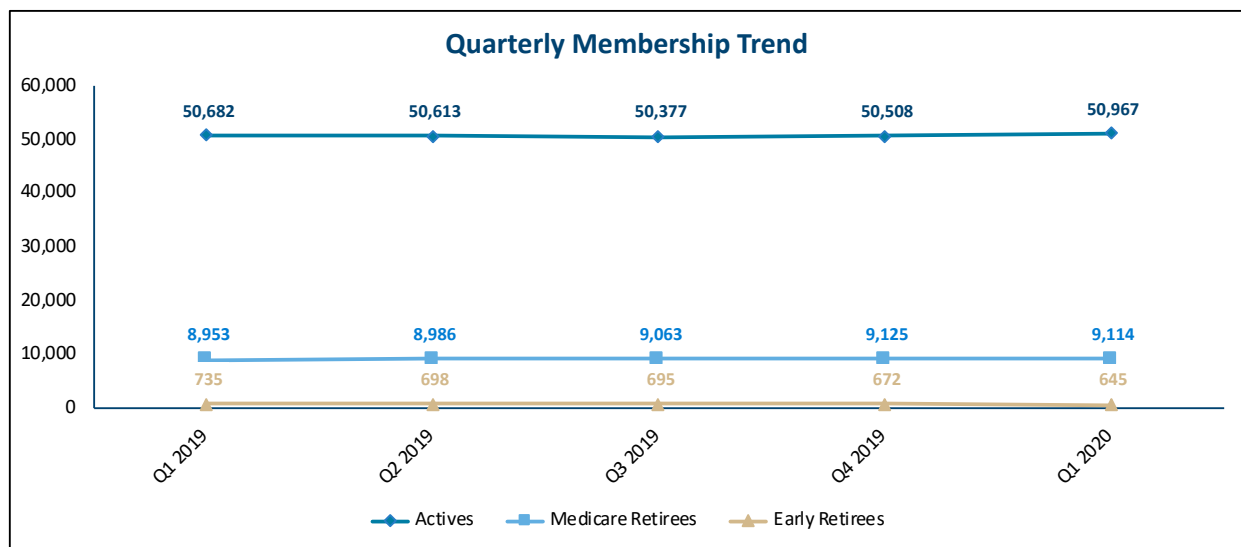
Performance Standards & Guarantees 2019-2021

ANNUAL MEMBERSHIP SUMMARY

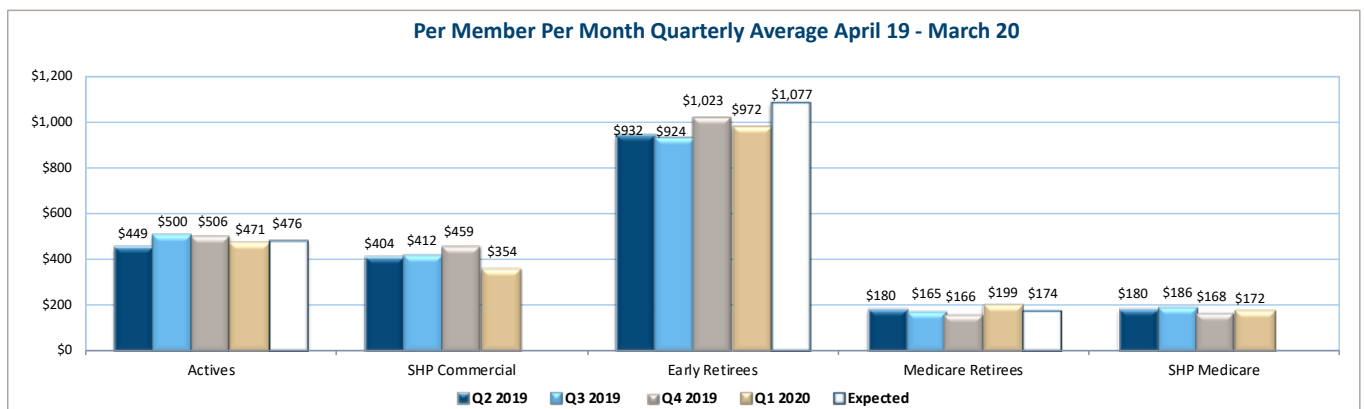
Summary

MEMBERSHIP COMPARISON						PERCENT CHANGE
	Q1 2019	Q2 2019	Q3 2019	Q4 2019	Q1 2020	Q1 2019 – Q1 2020
Actives	50,682	50,613	50,377	50,508	50,967	0.6%
Medicare Retirees	8,953	8,986	9,063	9,125	9,114	1.8%
Early Retirees	735	698	695	672	645	-12.2%

MEMBERSHIP TREND



PMPM SUMMARY



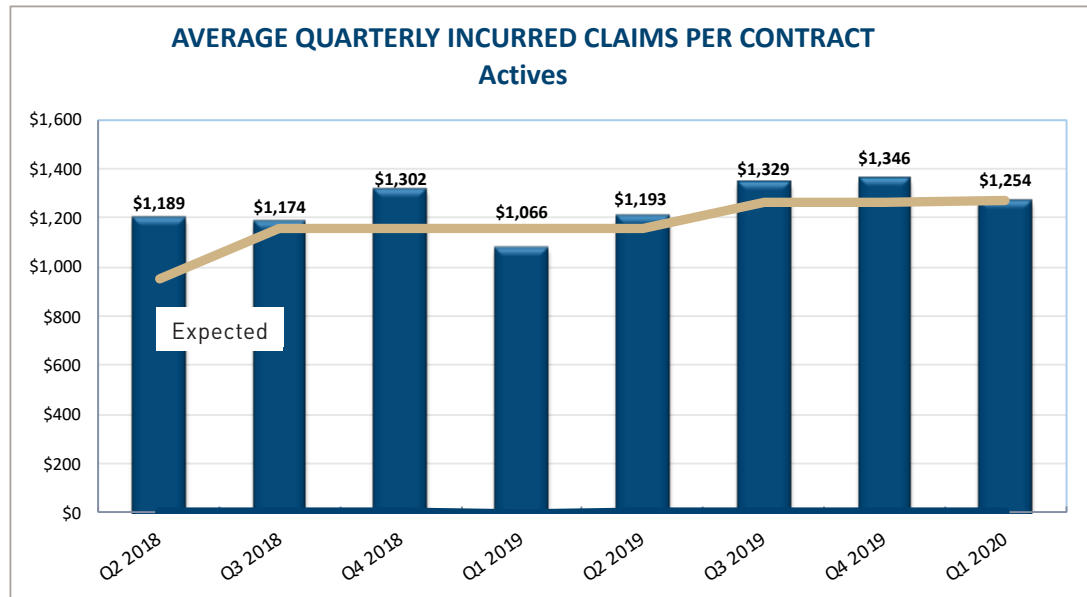
*Incurred between April 1, 2018 and March 31, 2020. Includes IBNR for April 2018 through March 2020, as of May 31, 2020.

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

*Expected is October 1, 2019 – September 30, 2020.

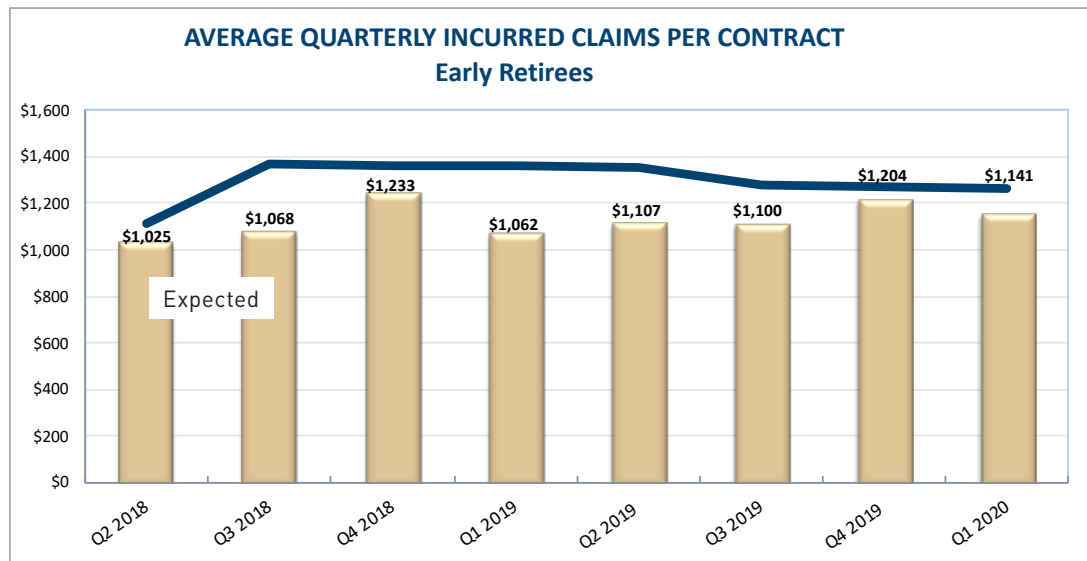
Claims
Analysis

PAID CLAIMS PER CONTRACT PER MONTH



*Incurred between April 1, 2018 and March 31, 2020. Includes IBNR for April 2018 through March 2020, as of May 31, 2020.

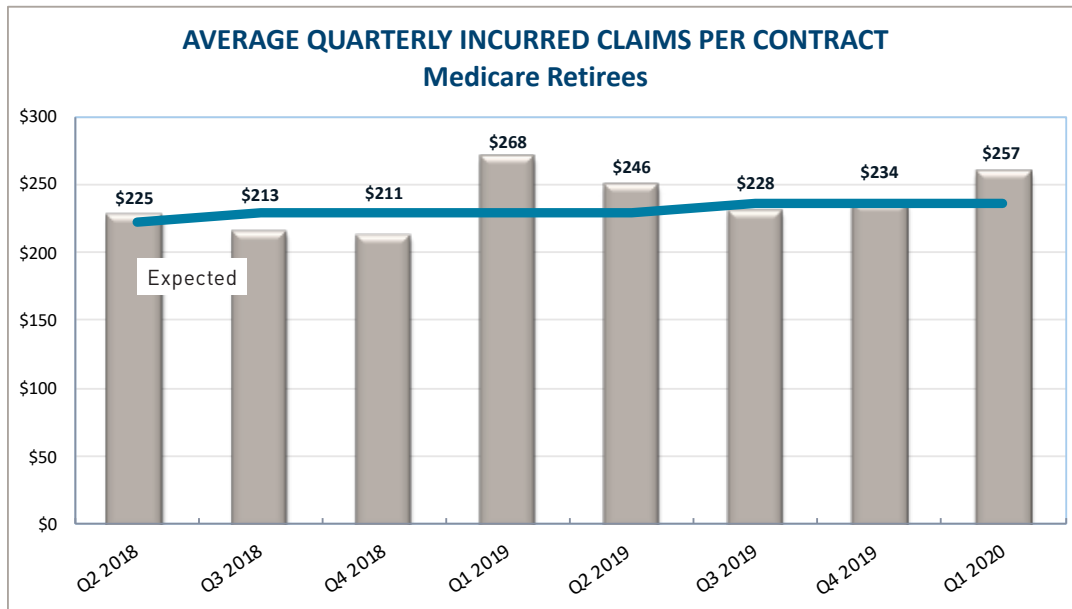
*NDPERS Active contracts have approximately 2.62 members per contract.



*Incurred between April 1, 2018 and March 31, 2020. Includes IBNR for April 2018 through March 2020, as of May 31, 2020.

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

PAID CLAIMS PER CONTRACT PER MONTH

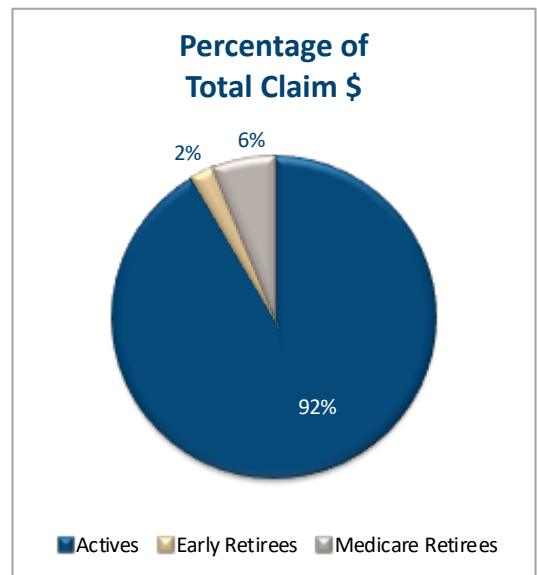
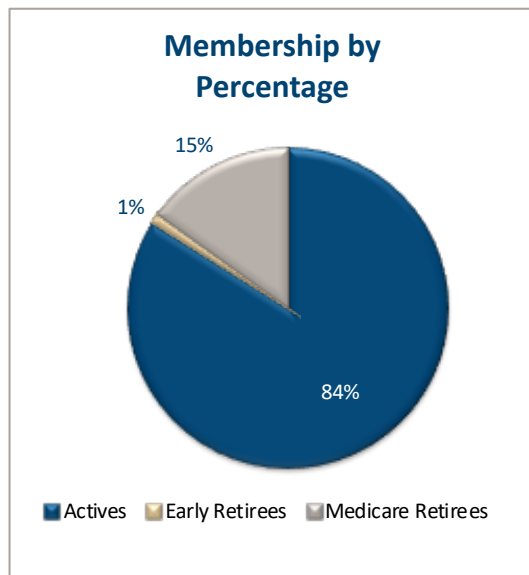
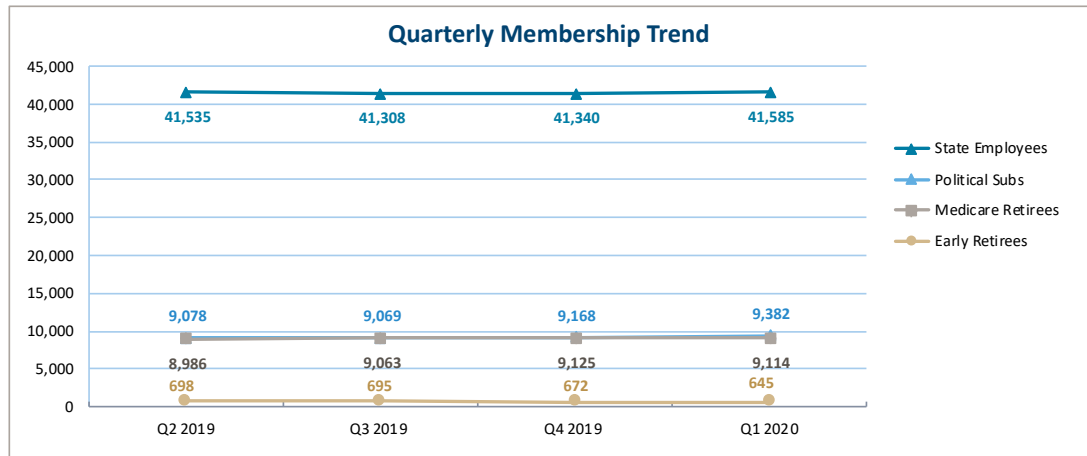
Claims
Analysis

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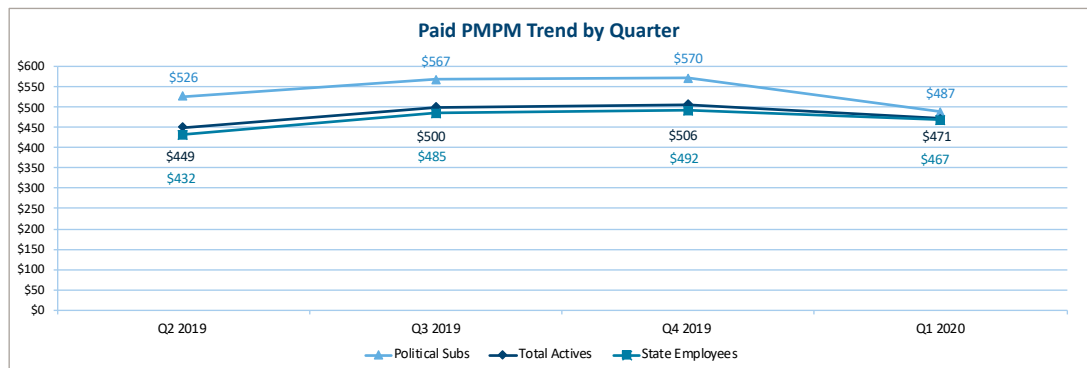
*NDPERS Medicare Retirees contracts have approximately 1.34 members per contract.

Membership & Utilization

MEMBERSHIP PERCENTAGE



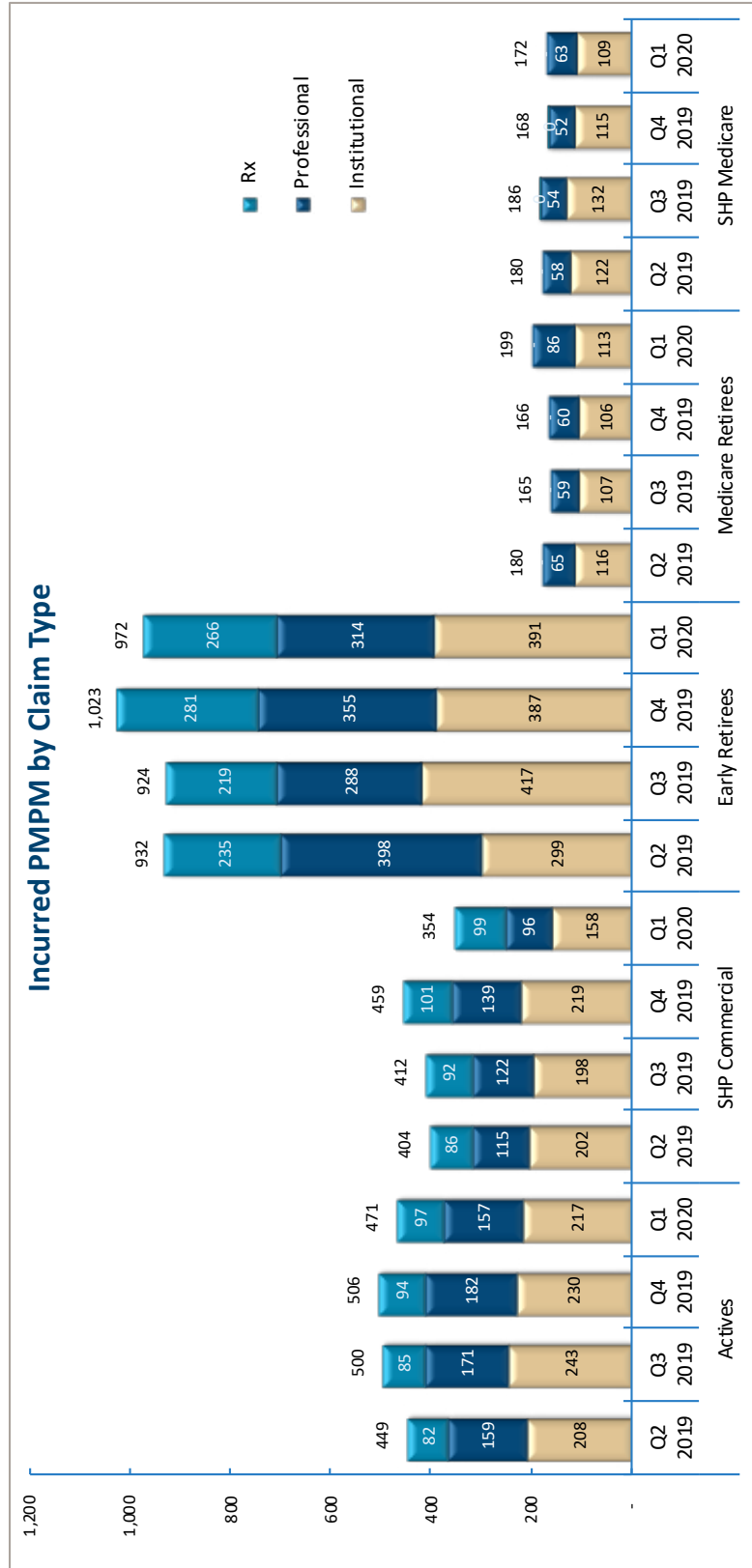
PAID PMPM TREND BY QUARTER



*Incurred between April 1, 2018 and March 31, 2020. Includes IBNR for April 2018 through March 2020, as of May 31, 2020.

PMPM BY CLAIM TYPE

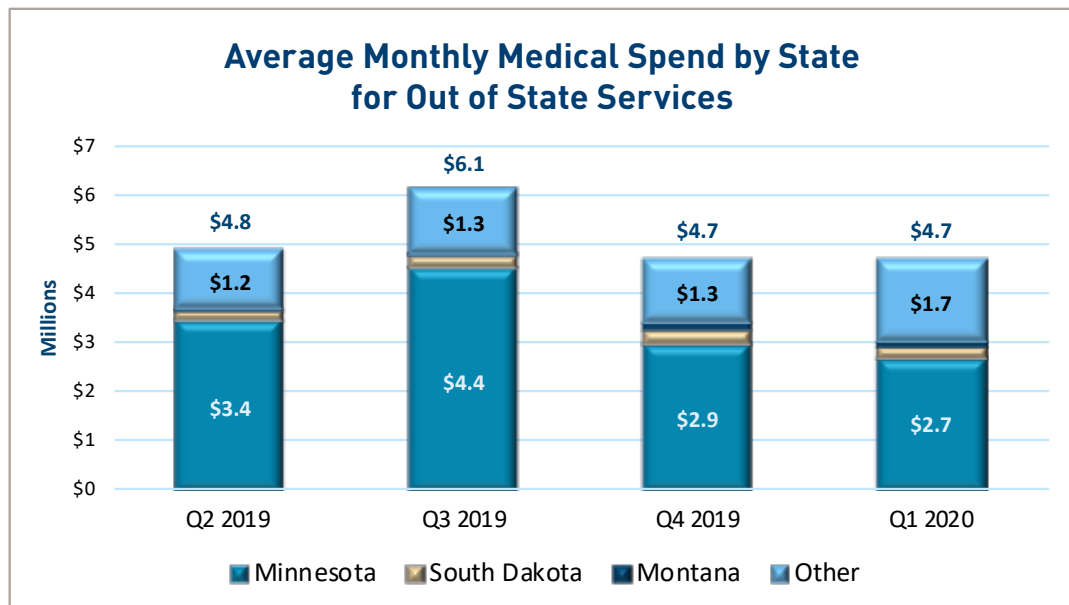
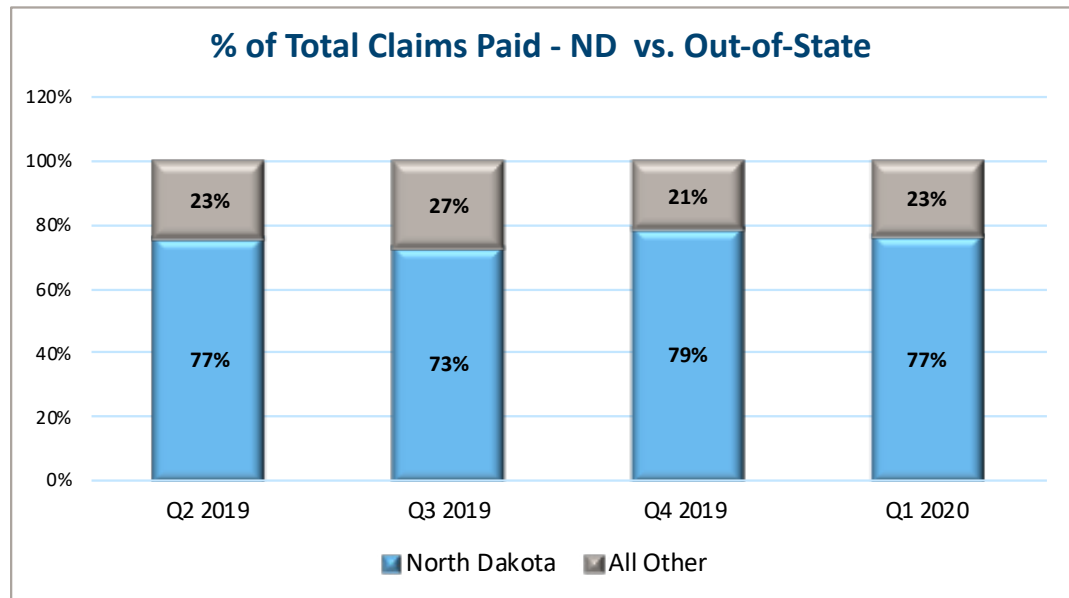
Membership
& Utilization



*Incurred between April 1, 2018 and March 31, 2020. Includes IBNR for April 2018 through March 2020, as of May 31, 2020.

Membership & Utilization

PAID CLAIMS BY STATE



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

MEMBER RISK PROFILE & UTILIZATION

Membership
& Utilization

	NDPERS	SHP Commercial
Average Age	35	33
% Male (Current)	49	46
Average Care Gap Index	1.07	0.75
Inpatient Days Per 1000	219	249
Total Admissions Per 1000	58	68
ER Visits Per 1000	207	166
Total Office Visits Per 1000	4,237	3,855
Pharmacy Scripts Per 1000	8,564	8,709

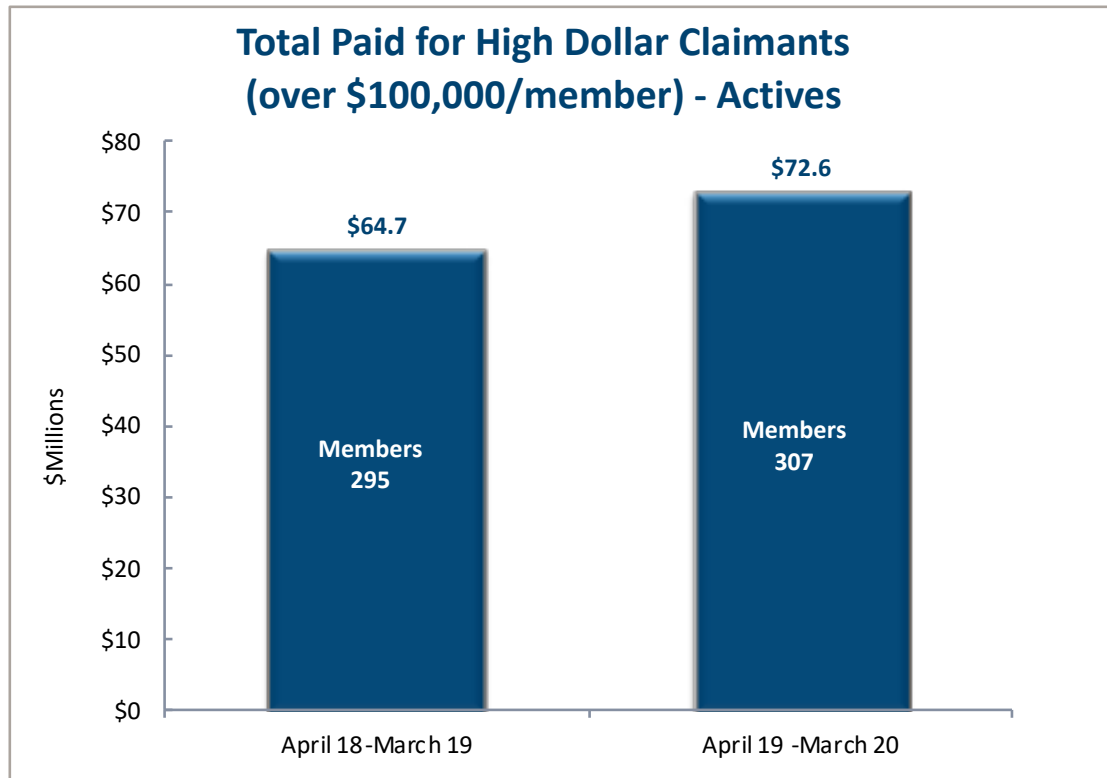
*Incurred between April 1, 2019 and March 31, 2020.

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

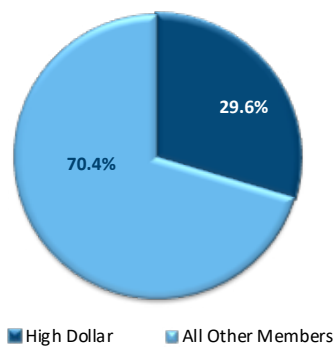
*NDPERS includes Political Subdivisions, Early (Pre-Medicare) Retirees and State Employees.

High Dollar
Cases

ACTIVES

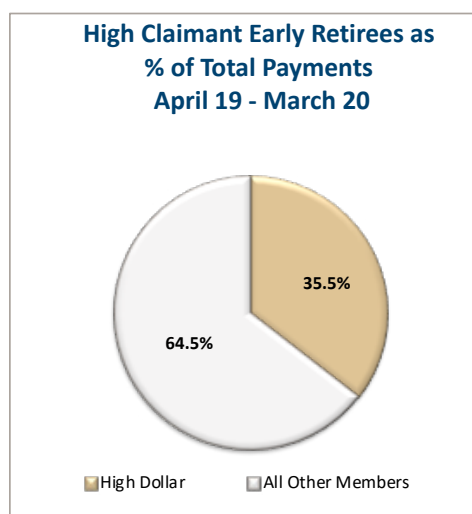
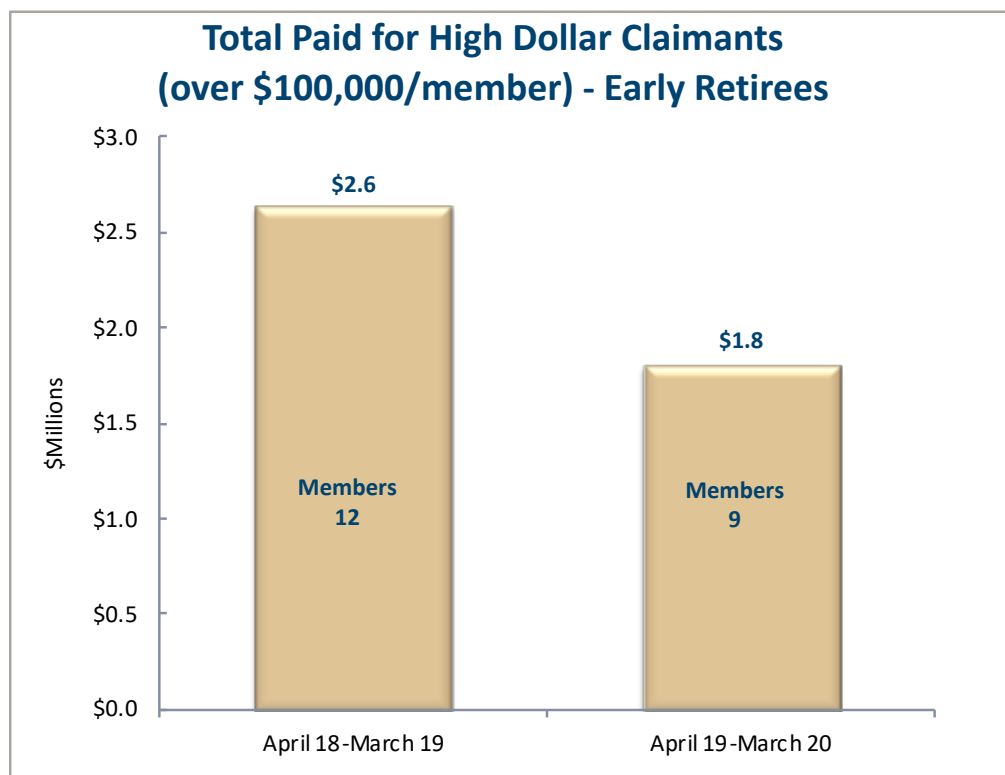


**High Claimant Actives as % of
Total Payments
April 19 - March 20**



Avg. Paid/Case	\$236,628
% of Total Payments	29.6%

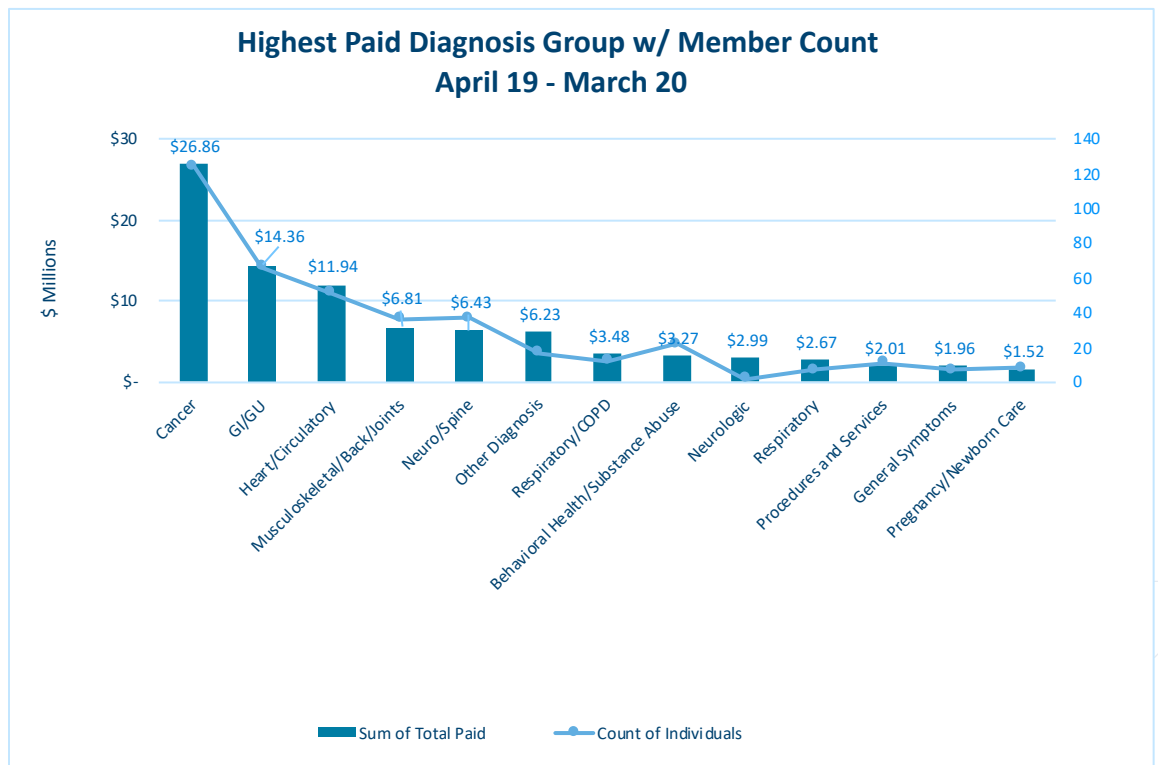
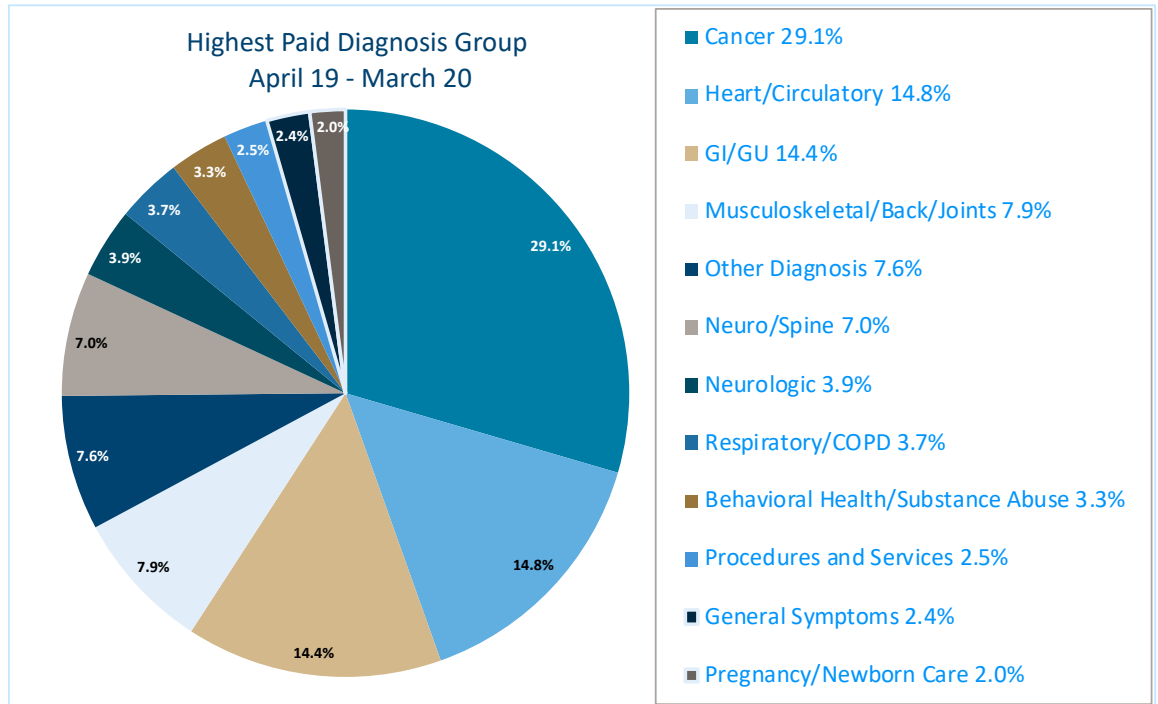
EARLY RETIREES

High Dollar
Cases

Avg. Paid/Case	\$199,981
% of Total Payments	35.5%

High Dollar Cases

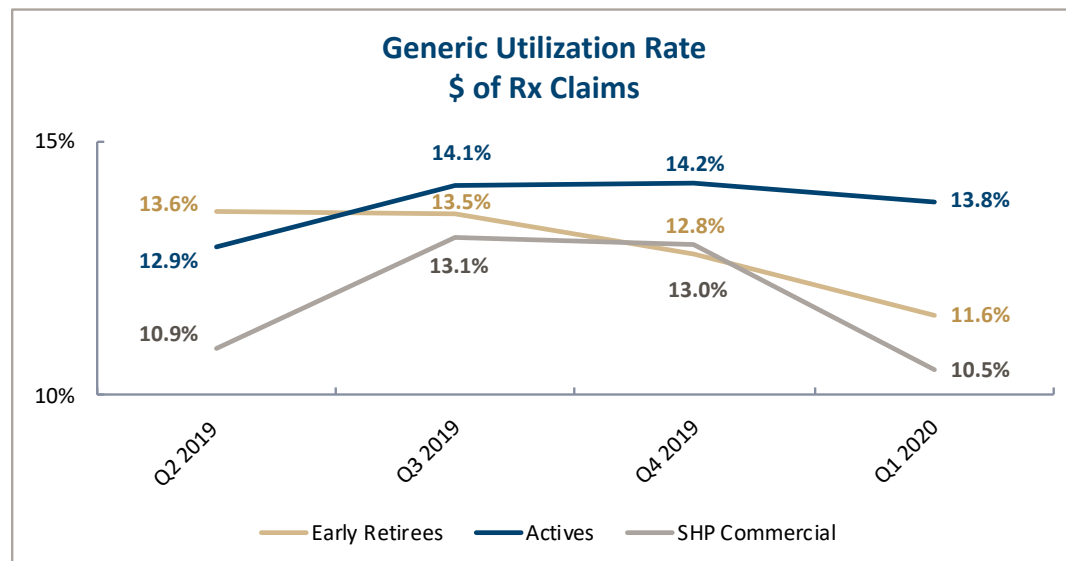
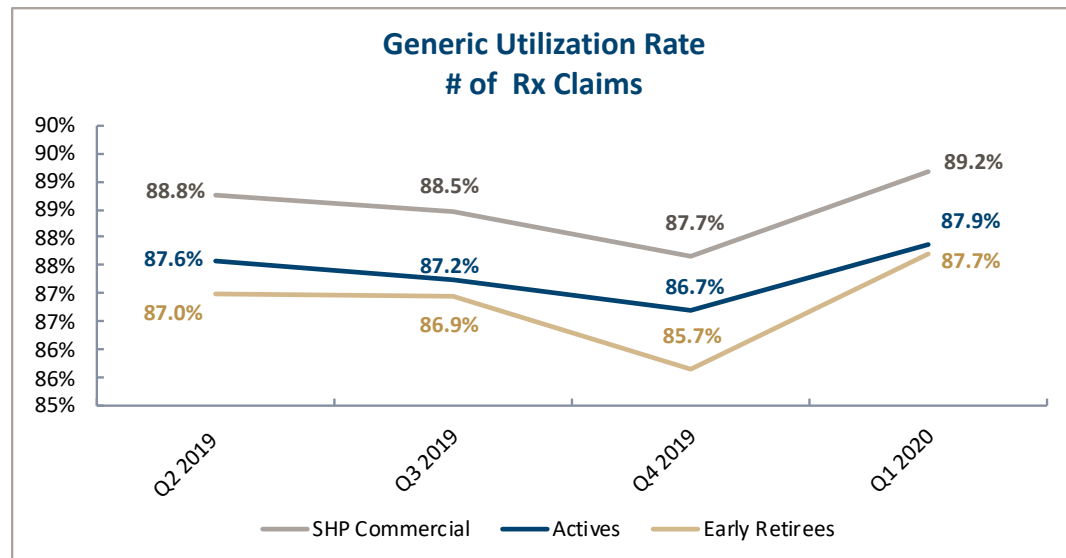
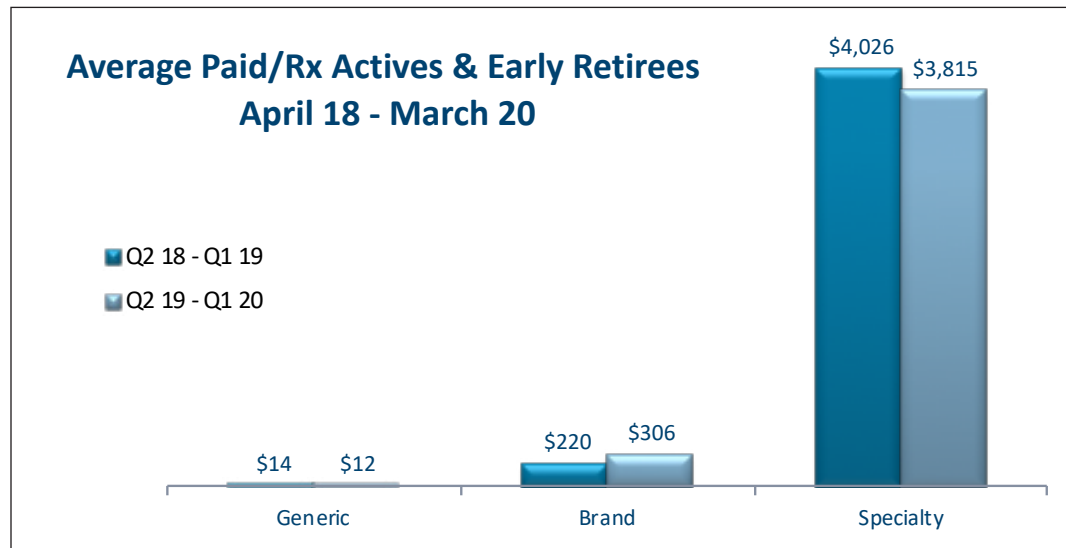
PRIMARY DIAGNOSIS



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

GENERIC UTILIZATION

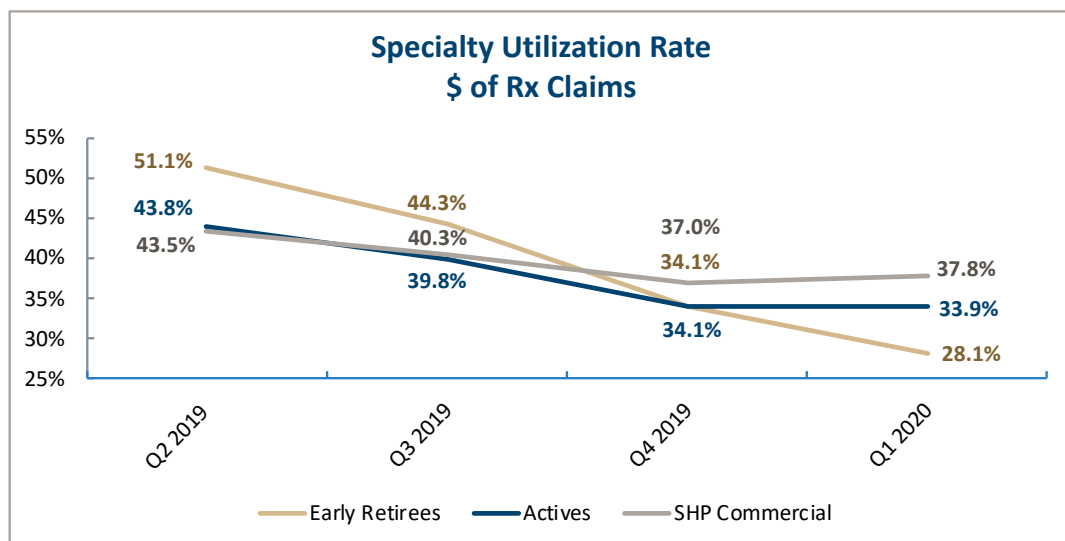
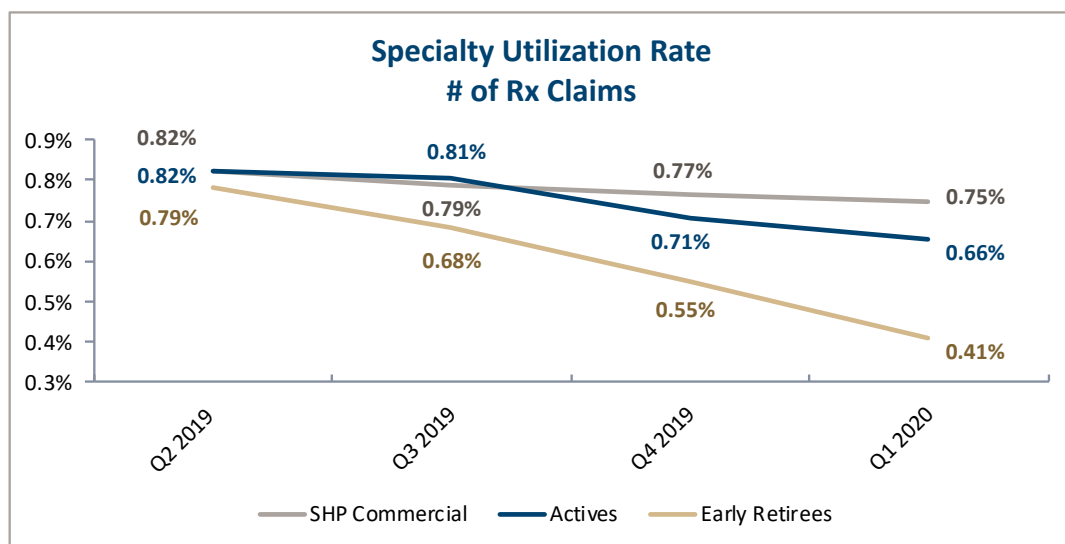
Prescription
Drugs



*Incurred between April 1, 2019 and March 31, 2020 and paid through May 31, 2020

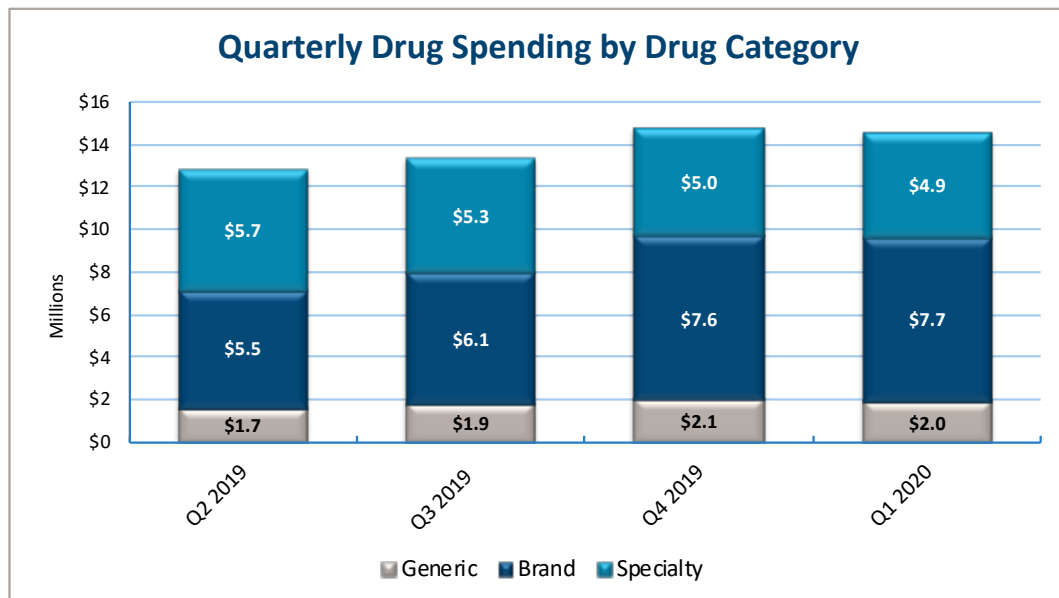
Prescription
Drugs

SPECIALTY PHARMACY



*Incurred between April 1, 2019 and March 31, 2020 and paid through May 31, 2020.

PHARMACY

Prescription
Drugs

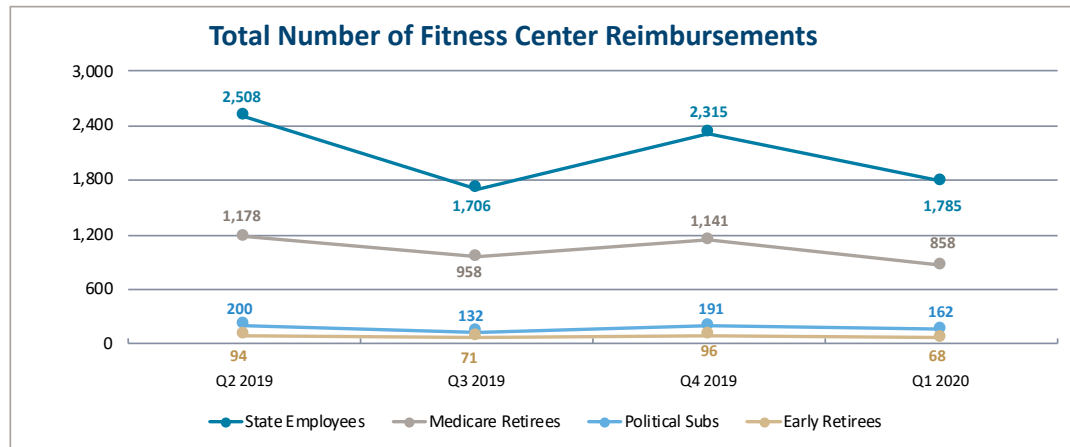
*Incurred between April 1, 2019 and March 31, 2020 and paid through May 31, 2020.

Sanford Health Plan – NDPERS EGWP			
Description	Q1 2019	Q1 2020	Change
Avg Subscribers per Month	8,938	9,110	1.9%
Avg Members per Month	8,938	9,110	1.9%
Number of Unique Patients	8,221	8,427	2.5%
Total Days	3,256,216	3,558,440	9.3%
Total Adjusted Rx's	118,581	129,525	9.2%
Average Member Age	75.4	75.6	0.2%
Nbr Adjusted Rx's PMPM	4.42	4.74	7.2%
Generic Fill Rate	91.5%	91.7%	0.2
90 Day Utilization	66.5%	66.9%	0.5
Retail - Maintenance 90 Utilization	65.1%	65.3%	0.2
Home Delivery Utilization	1.4%	1.7%	0.3
Member Cost Net %	29.1%	28.6%	-0.5
Formulary Compliance Rate	99.0%	99.0%	0.0

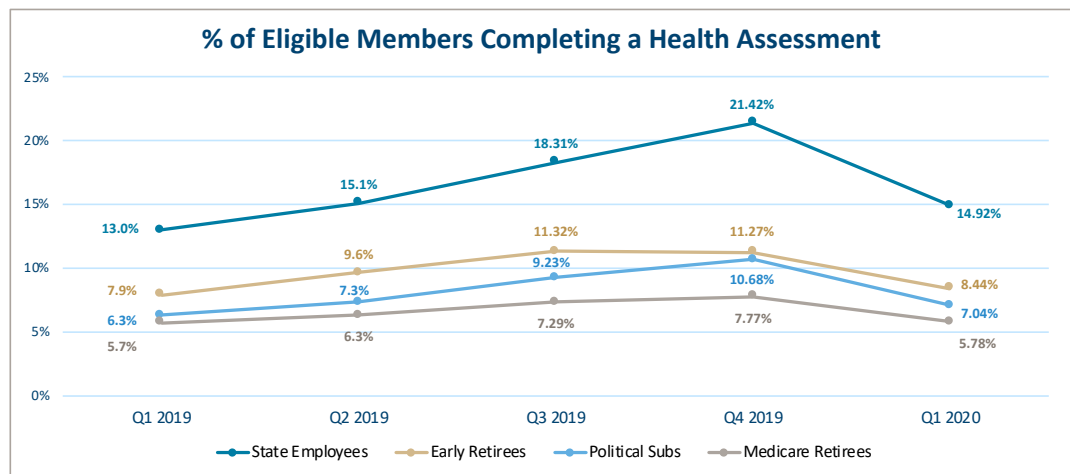
*This data was prepared by Express Scripts Inc. (ESI)

Dakota Wellness Program

FITNESS CENTER REIMBURSEMENT

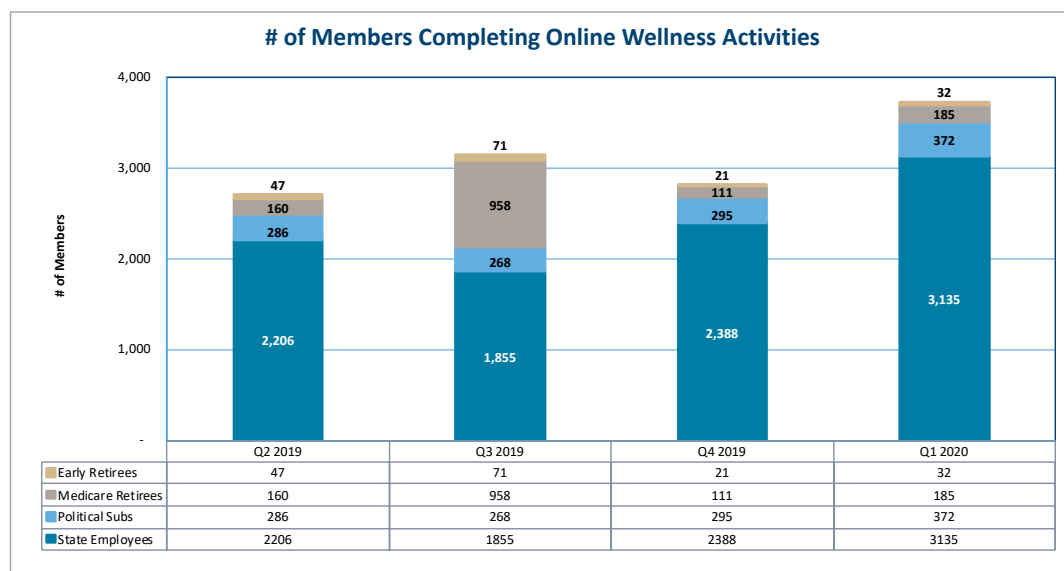


HEALTH ASSESSMENT



ONLINE WELLNESS ACTIVITIES

Dakota
Wellness
Program



LIFESTYLE MEDICINE PROGRAMS



Exercise is Medicine (EIM)

Available in Bismarck, Fargo and Grand Forks.

Total members participating to date: **78 members**

Six months following program completion, NDPERS participants increased their physical activity by **78%** compared to before the program.

51% said their energy levels increased.

Of participants who had pain prior to enrolling, **41%** indicated their pain decreased.

66% indicated they improved their eating habits.

76% increased their confidence of doing physical activity on their own.



Diabetes Prevention Program (DPP)

Currently offered in Bismarck, Dickinson, Fargo, Grand Forks, and Minot.

Weight loss %
4%

Number of Participants
110

Reduced Disease Risk
38%



Omada (launched Oct. 2019)

A virtual diabetes prevention program.

Total members participating to date: **137 members**

Percent by age: **18-39: 16.1%** **40-59: 63.5%** **60+: 20.4%**

Total Weight loss: **470.4 pounds**

Week 16 Percentage of weight loss and reduced disease risk:

Weight loss %

Number of Participants

Reduced Disease Risk

0 - <3%

26

35%

3 - <5%

15

38%

5 - <7%

8

54%

7 - <10%

5

64%

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

Roadmap your goals

A roadmap is a simple framework to break down a goal into small, manageable steps. Rather than focusing on the end result, try taking it one step, or one day at a time.

-  **LOSING WEIGHT:** How can I lose one pound this week?
-  **QUITTING NICOTINE:** How can I use nicotine one less time today?
-  **INCREASING EXERCISE:** How can I add one minute extra today?
-  **IMPROVED SLEEP:** How can I add one hour on average this week?

Learn more in the Dakota Wellness Program Newsletter.
sanfordhealthplan.com/ndpers

SANFORD HEALTH PLAN
NORTH DAKOTA PUBLIC EMPLOYEES RETIREMENT SYSTEM



Dakota Wellness Program

How to Get More Zzzz's

Sleep is important for many reasons, but it is often hard to get enough. The main benefit of sleep is that it allows the body to rest and repair. Try these tips.

- ✓ Go to bed and wake up around the same time everyday
- ✓ Establish a "bedtime routine" to help relax and calm down prior to going to sleep
- ✓ Limit blue light exposure from screens (phone, TV, tablet) at least 30 minutes prior to bedtime
- ✓ Avoid large meals at least 2 hours prior to bedtime
- ✓ Avoid caffeine intake after 2 p.m.
- ✓ Be physically active during the day
- ✓ Have a comfortable sleep environment that is around 65 degrees, dark with blankets and pillows as you prefer

Learn more in the Dakota Wellness Program Newsletter.
sanfordhealthplan.com/ndpers

SANFORD HEALTH PLAN
NORTH DAKOTA PUBLIC EMPLOYEES RETIREMENT SYSTEM



Dakota Wellness Program

DON'T EAT LESS, EAT MORE

Fill your plate with fruits and vegetables. It is recommended to consume five combined servings of fruits and veggies per day. The health benefits will be worth the trouble.

Try these tips:

BREAKFAST	LUNCH/DINNER	SNACKS
<ul style="list-style-type: none"> • Prepare a breakfast sandwich or omelet with grilled onions, peppers and mushrooms • Try out avocado toast • Add berries to oatmeal and oatmeal 	<ul style="list-style-type: none"> • Add veggies like sliced peppers, red onion, cucumber and tomato to sandwiches • Make a quinoa salad with beans, corn, broccoli and Italian dressing • Toss veggies into pasta like cherry tomatoes, spinach, mushrooms, sliced asparagus or artichoke hearts 	<ul style="list-style-type: none"> • Try adding to eat veggies like pea pods, carrots, mini sweet peppers, and hummus • Apple slices and peanut butter • Berries with yogurt and granola

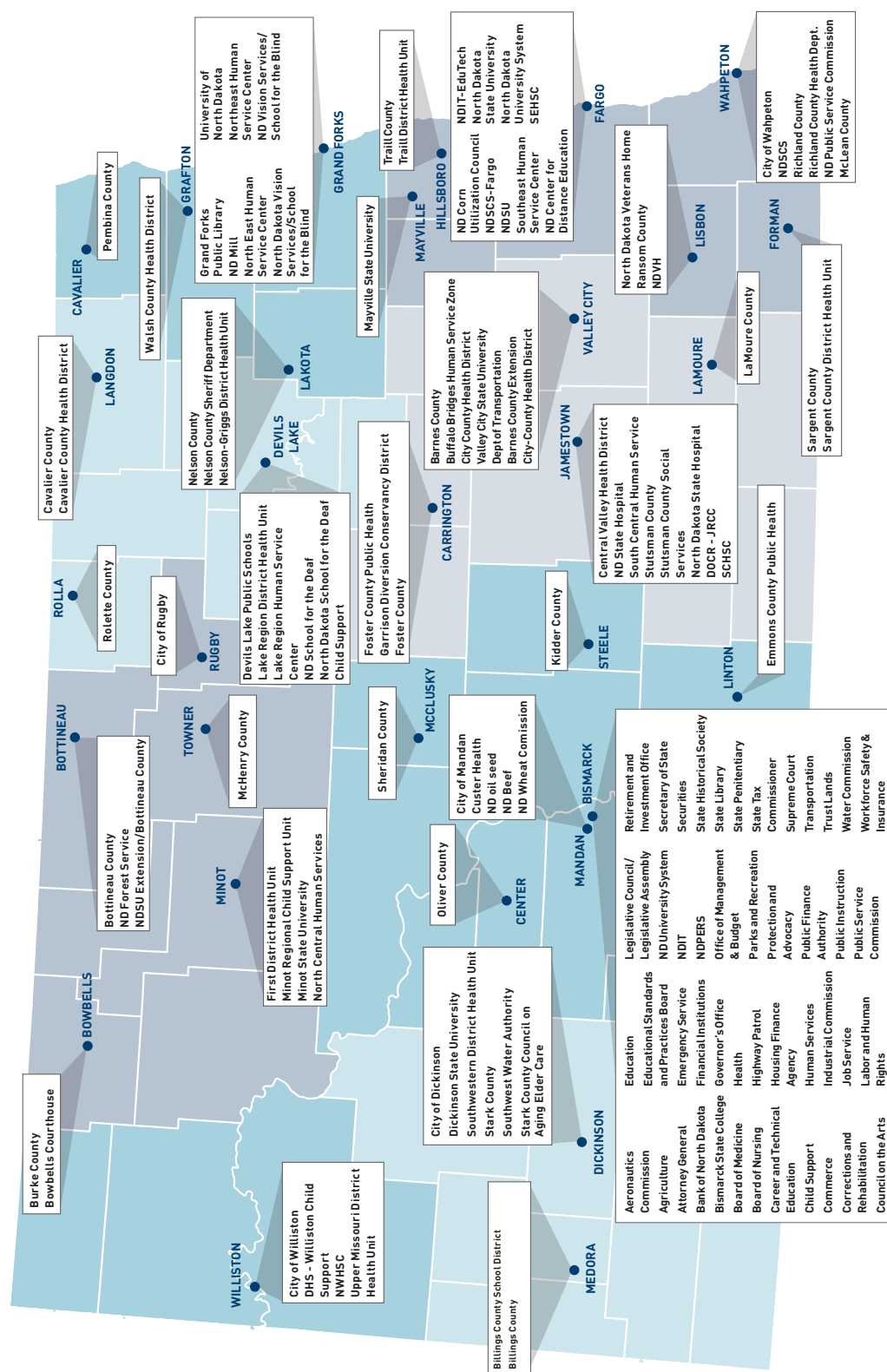
Learn more in the Dakota Wellness Program Newsletter.
sanfordhealthplan.com/ndpers

SANFORD HEALTH PLAN
NORTH DAKOTA PUBLIC EMPLOYEES RETIREMENT SYSTEM

EVENT ATTENDANCE BY AGENCY

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

Dakota
Wellness
Program



TOTAL NUMBER OF AGENCIES VISITED (UNDUPLICATED)

041

PRESENTATIONS/EVENTS:

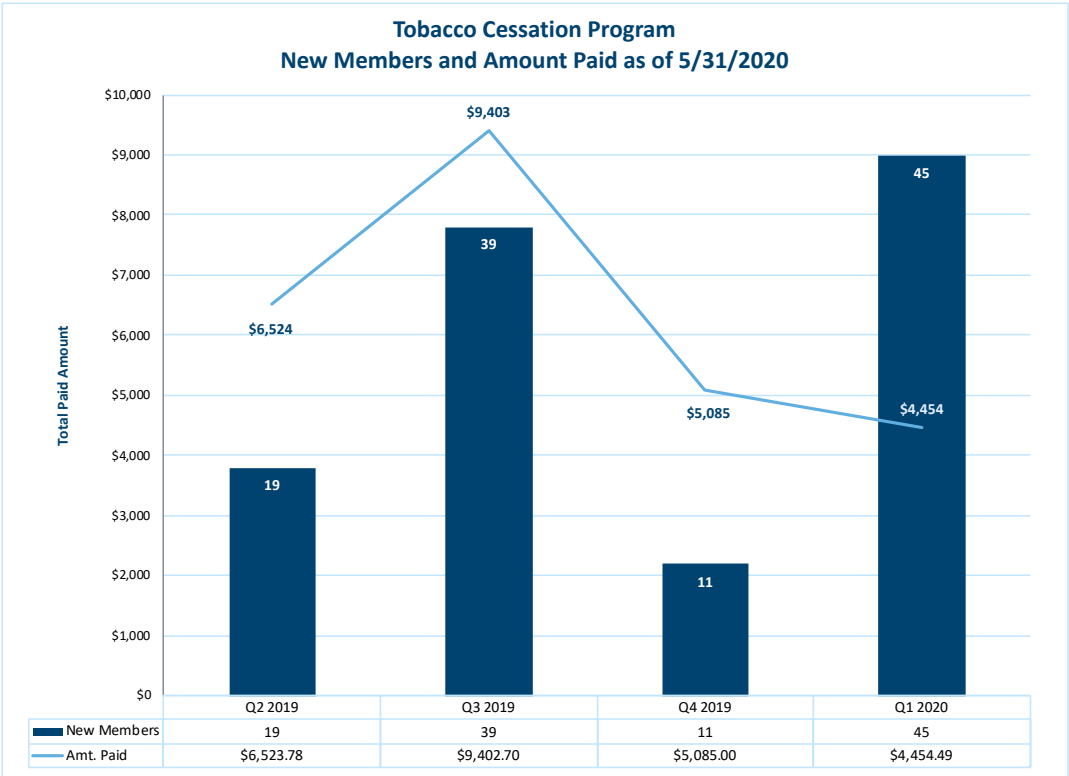
**TOTAL MEMBER
ATTENDANCE
THIS QUARTER:**

1086

Flourishing Financially
Cancer Prevention
Body Mechanics
Overcoming Stress
Self-care for pain
Healthy Meals in a Hurry

Tobacco
Cessation
Program

TOBACCO CESSATION PROGRAM



MEMBER MANAGEMENT REPORT

Member
Management

	CASE SUMMARY		MEMBER OUTREACH		CASE MANAGEMENT
CASE TYPE	Total Cases	Members	Successful Contact	Unsuccessful Contact	Care Coordination
CASE MANAGEMENT 440 Total Cases					
Behavioral Health	30	30	12	12	83
Case Management	90	90	87	105	179
Healthy Pregnancy Program	222	222	312	287	194
High Risk Pregnancy	2	2	2	6	1
Inpatient Behavioral Health	69	69	23	36	174
Inpatient Medical/Surgical	6	6	5	9	20
Inpatient Substance Abuse	4	4	2	5	6
Medication Adherence	3	3	0	0	3
Oncology	1	1	0	0	1
Psychosocial Needs	4	4	1	10	3
Transplant	9	9	7	3	38
COMPLEX CASE MANAGEMENT 11 TOTAL CASES					
Chronic Multiple Conditions	3	3	5	7	19
Complicated Case	6	6	48	12	42
Transplant	2	2	3	3	6
POPULATION HEALTH 13 TOTAL CASES					
Congestive Heart Failure	2	2	1	3	0
COPD	1	1	0	1	3
HTN/CAD	10	10	11	35	4

Case Summary

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

Member Outreach

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

Case Management

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

Performance
Standards &
Guarantees**2019-2021**

MEASURE	GOAL	OUTCOME REPORTING DATES	CURRENT
WELLNESS:			
Health Risk Assessment completion	17%	June 30, 2021	15.75%
Worksite Interventions agency participation	73%	June 30, 2021	67.9%
Fitness Center Reimbursement participation	5%	Dec. 31, 2020	3.54%
Redemption Center payments	\$800,000	Dec. 31, 2020	On Track
Redemption Center participation rate	8%	Dec. 31, 2020	On Track
HEALTH OUTCOMES:			
Tobacco Cessation grant dollar distribution	5% increase	June 30, 2021	On Track
Healthy Pregnancy Program	2.5% growth	June 30, 2021	4.9%
Diabetes Prevention Program	5% increase	Dec. 31, 2020	1.77%
Exercise is Medicine Program	3% increase	Dec. 31, 2020	.34%
Breast cancer screening rates	80%	June 30, 2021	80%
Cervical cancer screening rates	85%	June 30, 2021	81.3%
Colorectal cancer screening rates	60%	June 30, 2021	>60%
PROVIDER NETWORK/CONTRACTING:			
PPO Network participation rate	Hospital, MDs & DOs: 92%	June 30, 2021	100% – Hos 95% – MD/DO
Par Network minimum discount	30%	June 30, 2021	40.92%
CUSTOMER SERVICE & CLAIMS:			
Claims financial accuracy	99%	June 30, 2021	99.99%
Claims payment incidence accuracy	97%	June 30, 2021	99.99%
Claim timeliness	99%	June 30, 2021	99.59%
Claims procedural accuracy	95%	June 30, 2021	100%
Average speed of answer	30 seconds	June 30, 2021	12.75 seconds
Call abandoned rate	5% or less	June 30, 2021	1.27%
ANCILLARY ITEMS:			
Interest rate based on US Treasury	US Treasury rate	June 30, 2021	On Track
Rx rebate pass-through rate	100%	June 30, 2021	On Track
About the patient payment on schedule	100%	June 30, 2021	On Track
Explanation of benefits redesign	100%	Dec. 31, 2019	Met





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Memorandum

TO: NDPERS Board

FROM: Bryan

DATE: August 18, 2020

SUBJECT: Health Insurance RFP Update

We released the Health Plan RFP on June 1st and are on track with the published timeline:

Proposed Timetable

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

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

Deloitte will call into the meeting to give the Board an update in executive session regarding the proposals received. We will discuss our progress in reviewing the proposals and issues we are attempting to resolve.



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Memorandum

TO: NDPERS Board

FROM: Rebecca Fricke

DATE: August 18, 2020

SUBJECT: Vision Insurance Plan Contract Amendment

At the June meeting, the Board approved increasing the frame allowance from \$75 to \$100 for the NDPERS vision insurance plan with Superior Vision effective January 1, 2021. Attached is the contract amendment drafted by NDPERS legal staff and approved by representatives from Superior Vision.

Board Action Requested

Approve the contract amendment for the NDPERS group vision insurance plan to increase the frame allowance to \$100 effective January 1, 2021.

Amendment No. 2 to Agreement for Services

This Amendment No. 2 to Agreement for Services is between the State of North Dakota, acting through its North Dakota Public Employees Retirement System (NDPERS), and Superior Vision (CONTRACTOR).

NDPERS and CONTRACTOR entered into a two-year Agreement for Services (Agreement), effective January 1, 2018, which was extended by Amendment No. 1 to December 31, 2021. In its alternate plan proposal to NDPERS, effective January 1, 2021 and incorporated into this Amendment as Exhibit B, CONTRACTOR offered to increase frame allowance to \$100.00 from the current \$75.00, with no rate impact, through January 1, 2024. The NDPERS Board reviewed the offer, considered the matter, and passed a motion to accept the proposal.

NDPERS and CONTRACTOR therefore agree as follows:

- 1) CONTRACTOR will provide ongoing program services, including increasing frame allowance to \$100.00 with no rate change, in accordance with Exhibit B.
- 2) All other terms of the Agreement remain in effect.

This Amendment No. 2 to Agreement for Services is effective, on the date of the most recent signature, when executed by both Parties.

Superior Vision

State of North Dakota through its
Public Employee Retirement System

Signature: Thomas Luchetta
Printed: THOMAS LUCHETTA
Title: SVP OF SALES
Date: 07/30/2020

Signature: _____
Printed: _____
Title: _____
Date: _____



NDPERS

Proposed Effective Date: January 1, 2021

Vision Plan With Discount Features

**Superior National Network
Voluntary**

Tier	Monthly Premiums
Employee	\$6.57
Employee + Spouse	\$13.15
Employee + Child(ren)	\$11.98
Employee + Family	\$18.55

Co-Pays		Services	Frequency
Exam	\$0	Exam	1 per Calendar Year
Materials ¹	\$35	Frames	1 per Calendar Year
Contact Lens Fitting	\$35	Contact Lens Fitting	1 per Calendar Year
		Lenses	1 Pair per Calendar Year
		Contact Lenses	1 Allowance per Calendar Year

Benefits	In-Network ²	Out-of-Network ²
Exam (Ophthalmologist)	Covered In Full	Up to \$45
Exam (Optometrist)	Covered In Full	Up to \$45
Frames	\$100 retail allowance	Up to \$47
Contact Lens Fitting (Standard ³)	Covered In Full	Not Covered
Contact Lens Fitting (Specialty ³)	\$50 retail allowance	Not Covered
Lenses (Standard) Per Pair:		
Single Vision	Covered In Full	Up to \$35
Bifocal	Covered In Full	Up to \$50
Trifocal	Covered In Full	Up to \$70
Progressive	Covered at lined trifocal level	Up to \$70
Lenticular	Covered In Full	Up to \$70
Contact Lenses ⁴	\$100 retail allowance	Up to \$100
Medically Necessary Contact Lenses	Covered In Full	Up to \$210

Rate Assumptions

- Rates are guaranteed for 3 years.
- Minimum requirements:
 - Minimum 10 enrolled employees.
 - The employer pays 0% of the employee premium and 0% of the dependent premium.

This quote is valid for effective dates within 90 days of the proposed effective date noted above. The proposed rates are based on the information provided to prepare this quote and the parameters outlined in this quote. This quote is subject to adjustment if actual information is materially different than that provided, or if there are changes from the parameters outlined in this quote.

Co-pays apply to in-network benefits only.

All allowances are at a retail value; the insured is responsible for any charges in excess of this retail allowance.

¹ Materials co-pay applies to lenses and frames only, not contact lenses.

² All in-network and out-of-network allowances are at a retail value.

³ Standard Contact Lens Fitting applies to a current contact lens user who wears disposable, daily wear, or extended wear lenses only.

Specialty Contact Lens Fitting applies to new contact wearers and/or a member who wears toric, gas permeable, or multi-focal lenses.

⁴ Contact lenses are in lieu of eyeglass lenses and frames benefit.

Underwritten by: National Guardian Life Insurance Company
National Guardian Life Insurance Company is not affiliated with the Guardian Life Insurance Company of America, aka The Guardian or Guardian Life



Superior National Network

- We offer a broad provider network of MDs, ODs, national and regional optical retail chains (in network) including LensCrafters, Target Optical, Pearle Vision and additional providers as noted below.
 - Benefit allowances remain the same across the full provider network so you receive the same level of benefits regardless of the in-network provider chosen.
 - More one-hour and same-day service options providing members with swift solutions to vision care.
 - Freedom to choose the same or different providers for exam and materials.
 - In-network online shopping through leading retailers Glasses.com, 1-800 Contacts, and ContactsDirect
- A National LASIK Network of laser vision correction providers, featuring QualSight, offers Superior Vision members a discount on services. These discounts should be verified prior to service.
- A National Hearing Network of hearing care professionals, featuring Your Hearing Network, offers Superior Vision members discounts on services, hearing aids and accessories. These discounts should be verified prior to service.



Superior Value

- Separate Stand-alone Contact Lens Fitting Benefit. Contact lenses are covered as a separate benefit—so the full materials allowance can be used for materials.
- Members may also receive additional discounts, including 20% off lens upgrades and 30% off additional pairs of glasses. Discounts are provided by participating providers. Members should verify if their provider participates in the discount feature before receiving service.

For more information or additional group quotes, please contact:

Jami Kuder
Director, National Accounts
(682) 367-4067
jami.kuder@versanthealth.com



**North Dakota
Public Employees Retirement System**
400 East Broadway, Suite 505 • Box 1657
Bismarck, North Dakota 58502-1657

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

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

Memorandum

TO: NDPERS Board

FROM: Rebecca Fricke & Bryan Reinhardt

DATE: August 18, 2020

SUBJECT: Medicare Part D Renewal/Request for Proposal

At the May Board meeting, the Board was provided (Attachment 1) a preliminary renewal projection for the Medicare Part D Plan from Express Scripts Incorporated (ESI) for the 2021 Plan Year. Based upon the premium projection supplied by ESI and ESI's willingness to meet the requirements of HB 1374 as it relates to this plan, 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 ESI in August.

ESI has submitted its final renewal premium which is included as Attachment 2. The current premium is \$86.26 per member per month (PMPM). The premium for the same plan design, formulary and network for 2021 is \$89.54 which is a 3.8% increase or \$3.28 PMPM. Staff did request that ESI provide additional detail regarding the increase, which is as follows:

"The 3.8% proposed increase is entirely attributable to the reduction in the CMS direct subsidy. The proposed premium increase is \$3.28 PMPM, while the direct subsidy is decreasing \$3.36 PMPM. Absent this change, the premiums would have remained flat year-over-year."

You may recall that the current premium was a little over a 9% reduction from the premium charged to retirees during 2018 for the same plan design and included the addition of the opioid management product. ESI has maintained this premium for both the 2019 and 2020 plan years.

ESI has also offered a separate proposal that has the same plan design, formulary and network but reflects NDPERS adding a product to the plan called RationalMed. The

following is a description of RationalMed provided by ESI. Representatives from ESI will be providing the Board with an overview at the meeting.

“It’s impossible for doctors to know everything about all medications and medical diagnoses—there are so many guidelines. That’s why we are here to help. Express Scripts developed a safety solution designed to initiate changes to improve patient health and correct errors in care to lower both medical and prescription drug costs. RationalMed integrates medical, pharmacy, and laboratory data to create a patient-specific integrated profile. This profile contains comprehensive data used to analyze and detect therapy-related safety and health risks. With more than 600 carriers representing 18.8 million covered lives, RationalMed affects thousands of changes in care each week – changes that help improve patient safety and correct important errors in care to lower both medical and prescription drug costs. Rigorously interrogating the data and providing retrospective analysis to deliver potentially lifesaving alerts to physicians—ultimately providing NDPERS with improvements in Total Healthcare Value.”

The proposed final premium with RationalMed added is \$89.32, which is a 3.5% increase or \$3.06 PMPM. Because this option requires the medical provider, Sanford Health Plan, to provide monthly files to ESI, staff have confirmed with Sanford that they would be able to provide these files at no additional cost.

A review of the increase was conducted by Deloitte. Deloitte indicated the 3.8% increase appears reasonable given expected trends and the 2021 CMS direct subsidy amounts that were released at the end of July.

If the Board opts not to renew with ESI, staff will need to issue a Request for Proposal (RFP) for the Medicare Part D Plan following the meeting. Attachment 4 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.

Staff Recommendation

Staff would recommend renewing with Express Scripts (ESI) for the Medicare Part D plan for the 2021 plan year under either the current plan design without RationalMed or with RationalMed added.

If the Board does not wish to renew with ESI, staff request the Board’s approval of the Medicare Part D Request for Proposal so that we can seek another vendor.



**North Dakota
Public Employees Retirement System**
400 East Broadway, Suite 505 • Box 1657
Bismarck, North Dakota 58502-1657

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

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

Memorandum

TO: NDPERS Board

FROM: Rebecca

DATE: May 12, 2020

SUBJECT: Medicare Part D Plan Update

In follow-up to the February Board meeting during which the implications of HB 1374 on the Medicare Part D Plan were discussed (See Attachment 1), we have received a preliminary projection from Express Scripts Incorporated (ESI) for the 2021 premium.

ESI is projecting a slight increase in monthly premium compared to the current 2019 premium, which is \$86.26. The projected monthly premium for 2021 is \$87.97, or a 1.98% increase. You may recall that the current premium was a little over a 9% reduction from the premium charged to retirees during 2018 for the same plan design and included the addition of the opioid management product. ESI has maintained this premium for both the 2019 and 2020 plan years.

The normal process for renewal is that ESI 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, which occurs in late July each year, so that they may adjust premiums accordingly if necessary based on the subsidy amount and the experience of the plan. They then must provide the final premium for the Board's consideration by August 15. During previous renewals with ESI, we have found that their projected premium provided in late April/early May has been the same or very close to the actual renewal premium, except for the significant decrease in premium that occurred for the 2019 calendar year.

Based upon the premium projection supplied by ESI for the 2021 calendar year and ESI's willingness to meet the requirements of HB 1374 as it relates to this plan, 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 ESI in August. If at that time 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 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 a draft RFP will be provided for the Board's review at the June meeting.

Board Action Requested:

Provide direction on whether to defer a bid for the Medicare Part D Plan until after ESI provides their final renewal premium in August 2020.

Dear North Dakota Public Retirement System,

Medco Containment Life Insurance Company and Medco Containment Insurance Company of New York (hereinafter referred to as "Express Scripts Medicare") is pleased to continue offering the Medicare Part D Employer Group Waiver Plan (EGWP) for 2021 as described below.

Please check mark your intention below, sign and return to Express Scripts Medicare by August 31, 2020

Plan Design 1: Current Plan Design

		Retail Pharmacy Network	Retail Maintenance Drug Program (MDP) Pharmacy	Express Scripts Home Delivery
Day Supply		Up to 31 day	Up to 90 day	Up to 90 day
Pharmacy Network		Standard	Custom	ESIHD
Member Co-Pay	Generic	\$5 Copay + 15%	\$5 Copay + 15%	\$5 Copay + 15%
	Preferred Brand	\$15 Copay + 25%	\$15 Copay + 25%	\$15 Copay + 25%
	Non-Preferred	\$25 Copay + 50%	\$25 Copay + 50%	\$25 Copay + 50%
	Specialty	\$15 Copay + 25%	\$15 Copay + 25%	\$15 Copay + 25%
Deductible		No Deductible		
Initial Coverage Limit (ICL)		\$4,130		
Maximum Out Pocket		No Maximum Out of Pocket		
Coverage Gap		No Coverage Gap; Member Co-pays above apply.		
Member True Out of Pocket (TrOOP)		\$6,550		
Catastrophic Coverage		Member cost share post-TrOOP (\$6,550) is the greater of 5% or \$3.70 for generics and the greater of 5% or \$9.20 for brands		
Formulary		Premier Access Open		
Non Part D Drugs¹		Mirror current coverage within CMS guidelines		
Part B Drugs¹		Not Covered		
Utilization Management Program		All Approved Standard Part D		
Compound Management Solution		Compound Management Solution applies. Compound Management Solution in place to mitigate compound drug abuse by means of commercial inclusion and exclusion lists.		
Advanced Opioid Management Program		On		

This group Medicare Part D plan has additional benefits to enhance the Medicare Part D coverage, as required by the Centers for Medicare and Medicaid Services (CMS). Per CMS regulations, the benefit enhancements are considered other health benefits and require filing with and approval by the state department of insurance. Express Scripts Medicare will offer this product in conjunction with Companion Life Insurance Company. The premium consists of two distinct components that will be outlined on your invoice as follows:

Employer Group Waiver Plan Premium - offered by Express Scripts Medicare through its contracts with the Centers for Medicare and Medicaid Services	\$65.44
Additional enhanced insurance - offered above and beyond the CMS defined standard benefit Premium	\$24.10
Total Premium Per Member Per Month* (PMPM)	\$89.54

¹Some states require coverage for certain Non Part D and Part B drugs. Express Scripts will comply with all state requirements on your behalf..

Plan Design 2: Current Plan Design with RationalMED

		Retail Pharmacy Network	Retail Maintenance Drug Program (MDP) Pharmacy	Express Scripts Home Delivery
Day Supply		Up to 31 day	Up to 90 day	Up to 90 day
Pharmacy Network		Standard	Custom	ESIHD
Member Co-Pay	Generic	\$5 Copay + 15%	\$5 Copay + 15%	\$5 Copay + 15%
	Preferred Brand	\$15 Copay + 25%	\$15 Copay + 25%	\$15 Copay + 25%
	Non-Preferred	\$25 Copay + 50%	\$25 Copay + 50%	\$25 Copay + 50%
	Specialty	\$15 Copay + 25%	\$15 Copay + 25%	\$15 Copay + 25%
Deductible		No Deductible		
Initial Coverage Limit (ICL)		\$4,130		
Maximum Out Pocket		No Maximum Out of Pocket		
Coverage Gap		No Coverage Gap; Member Co-pays above apply.		
Member True Out of Pocket (TrOOP)		\$6,550		
Catastrophic Coverage		Member cost share post-TrOOP (\$6,550) is the greater of 5% or \$3.70 for generics and the greater of 5% or \$9.20 for brands		
Formulary		Premier Access Open		
Non Part D Drugs ¹		Mirror current coverage within CMS guidelines		
Part B Drugs ¹		Not Covered		
Utilization Management Program		All Approved Standard Part D		
Compound Management Solution		Compound Management Solution applies. Compound Management Solution in place to mitigate compound drug abuse by means of commercial inclusion and exclusion lists.		
Advanced Opioid Management Program		On		
RationalMED		On		

This group Medicare Part D plan has additional benefits to enhance the Medicare Part D coverage, as required by the Centers for Medicare and Medicaid Services (CMS). Per CMS regulations, the benefit enhancements are considered other health benefits and require filing with and approval by the state department of insurance. Express Scripts Medicare will offer this product in conjunction with Companion Life Insurance Company. The premium consists of two distinct components that will be outlined on your invoice as follows:

Employer Group Waiver Plan Premium - offered by Express Scripts Medicare through its contracts with the Centers for Medicare and Medicaid Services	\$65.22
Additional enhanced insurance - offered above and beyond the CMS defined standard benefit Premium	\$24.10
Total Premium Per Member Per Month* (PMPM)	\$89.32

¹Some states require coverage for certain Non Part D and Part B drugs. Express Scripts will comply with all state requirements on your behalf..

These premiums are based on group enrollment with member option to opt out and a minimum enrollment of 7,989 in the selected plan by 1/1/2021. If minimum enrollment thresholds are not met, Express Scripts Medicare reserves the right to adjust the premium accordingly.

**The illustrated premium is subject to change in the event of CMS guidance and rate changes.*

**Rates are subject to change pending CMS release of the final 2021 bid results.*

☐ I elect to offer the plan design as described to my Members **effective 01/01/2021 – 12/31/2021** pursuant to my agreement with Express Scripts Medicare.

☐ Plan Design 1

☐ Plan Design 2

☐ I do not elect the above EGWP and will notify Express Scripts Medicare of my intentions in accordance to our agreement by the timeframe required within our agreement.

Print Name

Signature

Date

Please be aware that if you do not complete the above election and notify Express Scripts Medicare by August 31, 2020, attempts to confirm your intentions for the 2021 plan year will be made. If we are unable to confirm intentions for the 2021 plan year, the group disenrollment process may be initiated and your retirees will be notified that they need to seek coverage elsewhere or under alternative plans that you may offer.

Sincerely,

Express Scripts, Inc.
Client Contracting Department
One Express Way
St. Louis, MO 63121
FAX: 1-800-287-0359

¹Some states require coverage for certain Non Part D and Part B drugs. Express Scripts will comply with all state requirements on your behalf..

1
DOCTOR
HELPING
2,184
PATIENTS

CONDUCTING
6,770
OFFICE VISITS
PER YEAR



PROBLEMS PER WEEK:
390

PROBLEMS PER YEAR:
20,310

Preventing adverse events and hospitalizations

Medical errors are the #3 leading case of death, following heart disease and cancer.¹

RationalMed® initiates changes to improve patient health and correct errors in care, lowering both medical and prescription drug costs.



INTEGRATED PATIENT PROFILE

Integrating medical, pharmacy and laboratory data



TARGETED SAFETY AND HEALTH INTERVENTIONS

For each safety issue identified, alerts are sent to the provider via electronic health record, fax or letter (1,400 COP alerts est.)



IMPROVED CLINICAL OUTCOMES

Deployed **two million successful safety interventions** in 2018 alone²

1. https://hopkinsmedicine.org/news/media/releases/study_suggests_medical_errors_now_third_leading_cause_of_death_in_the_us; 2. 2018 Book of Business Express Scripts data
2. * Rx and Medical Savings.

6564

TOTAL SAFETY ALERTS

2175

SUCCESSFUL INTERVENTIONS

Based on your population, expected alert distribution

Rule Category	Alerts/ Year	Successes/ Year
Adverse Drug Disease Consideration	2,535	873
Adverse Drug Interaction	946	378
Dose Duration Consideration	116	22
Drug Age Consideration	126	66
Drug Pregnancy	3	1
Drug Therapy Duplication	132	59
Duration Consideration	150	35
Excessive Dosing	275	109
Quantity Considerations	19	7
High Risk Medications	580	370
Subtotal for Adverse Drug Risk	4,884	1,919
Misuse/Abuse	88	15
Polypharmacy	829	178
Subtotal for Coordination of Care	918	194
Omission of Essential Therapy	422	20
Under Dosing	35	17
Suboptimal Patient Drug Adherence	111	0
Omission of Essential Drug Related Testing & Diagnostics	196	25
Subtotal for Omission of Care	763	62
Total	6,564	2,175



52%

**SUCCESS RATE IN
EFFECTING CHANGES
IN THERAPY FOR
ADVERSE DRUG RISK
SAFETY ISSUES***

*Express Scripts data on file 2018

CASE STUDY



CASE STUDY – DRUG INTERACTION, MULTIPLE CONDITIONS RationalMed® Safety Protection



MEDICAL HISTORY

- 76 year old woman with congestive heart failure, hypertension and chronic airway obstruction
- Patient was taking diltiazem to help control her blood pressure



POTENTIAL RISK

- Patients with heart failure should not receive calcium channel blockers, such as diltiazem, as they can worsen heart failure and increase the risk of adverse cardiovascular events.



CALL TO ACTION

- RationalMed® identified the risk and alerted the physician.



Patient Outcome:

- Diltiazem was discontinued.
- Patient is taking metoprolol for heart failure

For illustrative purposes only. Does not contain PHI.

CASE STUDY



CASE STUDY – DANGEROUS DRUG SIDE EFFECT

RationalMed® safety protection



MEDICAL HISTORY

- 54-year-old man
- History of heart failure
- Prescribed Humira® (adalimumab) for psoriasis



POTENTIAL RISK

- Side effect of Humira is worsening of heart failure



CALL TO ACTION

- RationalMed identified the risk
- Physician alerted

clinical monitoring of symptoms consider alternative

“Clinical monitoring of symptoms, consider alternatives”

- Dermatologist, California



Patient Outcome:

- Humira discontinued
- Managed psoriasis with less risky topical therapy

For illustrative purposes only. Does not contain PHI.



Request for Proposal

Fully Insured and Self-Insured Prescription Drug Employer Group Waiver Plan (EGWP)

August 2020

Contents

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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 (All Times in CDT)
RFP Published	August 18, 2020
Questions Due	August 25 by 5:00 PM
Question Answers Posted	August 31, 2020
Proposals Due	September 14, 2020
Selection of Vendor	September/October, 2020
Contract Effective Date	January 1, 2021

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 under separate cover. If you do not identify and explain deviations, your proposal will be deemed a certification that you will comply in every respect with the requirements and contractual language set forth in this RFP.

Proposal Format and Contact Information

Proposals should be submitted in two parts, with the cost proposal and deviations separate from the qualitative proposal (Qualitative to NDPERS, Everything to Deloitte, 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 proposal should include your response to the questionnaire (Section X) and responses to Appendix B (red-lined), Appendix D, and Appendix E.

Cost proposal and deviations should include Appendix F, Appendix G, and other documentation supporting your bid financials and deviations. All other required appendices and proposal content should be included in the qualitative proposal.

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

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

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

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

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

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

III. Objective of RFP

North Dakota Public Employees Retirement System – Strategic Objectives

The North Dakota Public Employees Retirement System (NDPERS) covers in excess of 60,000 lives including over 9,000 Medicare members on Part-D. 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:

- Controls pharmacy cost for members and NDPERS
- Deliver PBM services at aggressive prices commensurate with our covered lives
- Provide exceptional service, from both a member and NDPERS’s experience
- Brings innovation to the PBM services provided by NDPERS
- Seamlessly integrates with NDPERS medical plans, and analytical partners
- Adheres to Centers for Medicare & Medicaid Services (CMS) regulations for administration of EGWP products
- Meets requirements for transparency set forth in NDCC 54-52.1-04.16

Potential Partnership Considerations

NDPERS is interested in exploring the potential value creation from combining the respective strengths of NDPERS and a world-class pharmacy partner. Our goal is to explore a partner’s role in managing the following functions for our EGWP members:

- Specialty drug management
- Chronic condition management
- Formulary Management
- Clinical programs development and administration
- Customer Service (members and providers)
- Pharmacy claims processing
- Reporting
- Data Analytics
- Network Management
- Rebate administration and contracting
- Adherence to CMS requirements

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.

If any of the requirements listed in the following section indicate performance services not included in your standard fees, please specifically indicate in the pricing section what additional charges would apply.

Transparent/Traditional PBM

NDPERS is interested in evaluating both fully insured and self-insured financial proposals from each participating PBM partner with pricing and contractual features commonly apparent in fully-pass through, transparent contract arrangements. Transparency for purposes of this proposal is one that will provide NDPERS with the following audit

opportunities. NDPERS will give preference to transparent proposals pursuant to the North Dakota Century Code. Please identify in your cover letter if you will provide this to NDPERS.

- **PBM Audits.** In Section 54-52.1-04.15 of the NDCC it states:
 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.

In addition, subsections 2, 3 and 4 of 54-52.1-04.16. Prescription drug coverage - Performance audits must also be in compliance with any selected vendor:

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.

NDPERS has provided in Appendix B a proposed contract for this work effort which provides for the above. 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 as an appendix to your proposal. Firms offering this contract may be eligible for the preference provided in this section. Firms that substantially alter this contract or essentially 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, 2021. The NDPERS Board intends that the successful bidder will have the opportunity to renew this contract 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 in May when the carrier will submit an estimated renewal to the board. The process will continue in August when the carrier will submit a formal renewal proposal. The NDPERS Board will decide to renew or go to bid no later than the end of August.

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:

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

V. Current EGWP Benefit

The following table provides a summary of the current (2020) NDPERS EGWP benefit, including cost-sharing information. This plan provides coverage across all stages of an individual's benefit.

Initial Coverage stage	Member will pay the following until the total yearly drug costs (what member and the plan pay) reach \$4,020. Please note that member can get up to a 90-day supply either at a retail network pharmacy or through home delivery:		
	Tier	Retail Three-Month (90-day) Supply	Home Delivery Three-Month (90-day) Supply
	Tier 1: Generic Drugs	\$5 copayment plus 15% coinsurance	\$5 copayment plus 15% coinsurance
	Tier 2: Preferred Brand Drugs	\$15 copayment plus 25% coinsurance	\$15 copayment plus 25% coinsurance
	Tier 3: Non-Preferred Brand Drugs	\$25 copayment plus 50% coinsurance	\$25 copayment plus 50% coinsurance
	If the member fills a prescription for a one-month (31-day) supply at a retail network pharmacy, they will pay the same copayment amount that a member would for a three-month supply. If the member's doctor prescribes less than a full month's supply of certain drugs, the member will pay a daily cost-sharing rate based on the actual number of days of the drug that they receive. The member may receive up to a 90-day supply of certain maintenance drugs (medications taken on a long-term basis) by mail through our home delivery service. There is no charge for standard shipping. Not all drugs are available at a 90-day supply, and not all retail pharmacies offer a 90-day supply.		
Coverage Gap stage	Under the plan, the member reaches the Coverage Gap stage once the total yearly drug costs reach \$4,020. During this stage, the cost-sharing amounts for generic and brand-name drugs will remain the same until the yearly out-of-pocket drug costs reach \$6,350.		
Catastrophic Coverage stage	After the member's yearly out-of-pocket drug costs (what the member and others pay on their behalf, including manufacturer discounts but excluding payments made by the member's Medicare prescription drug plan) reach \$6,350, the member will pay the greater of 5% coinsurance or: <ul style="list-style-type: none">• a \$3.60 copayment for covered generic drugs (including brand drugs treated as generics)• a \$8.95 copayment for all other covered drugs.		

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

Please note that the bid must reflect CMS benefit design requirements for 2021.

VI. Services

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

VII. Eligibility

Retirees or surviving spouses who are age 65 or entitled to Medicare and are receiving a retirement benefit from the Public Employees Retirement System, the Highway Patrolmen's Retirement System, the Teachers' Insurance and Annuity Association of America- (TIAA), the Job Service Retirement System, Judges' Retirement System, the Teachers' Fund for Retirement (TFFR), or from a participating political subdivision are eligible to receive benefits. The NDPERS supplemental medical plan and prescription drug plan (EGWP) are 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. However, NDPERS would like bidders to provide a separate price quote if the pricing would be different if the product were unbundled.

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

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

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

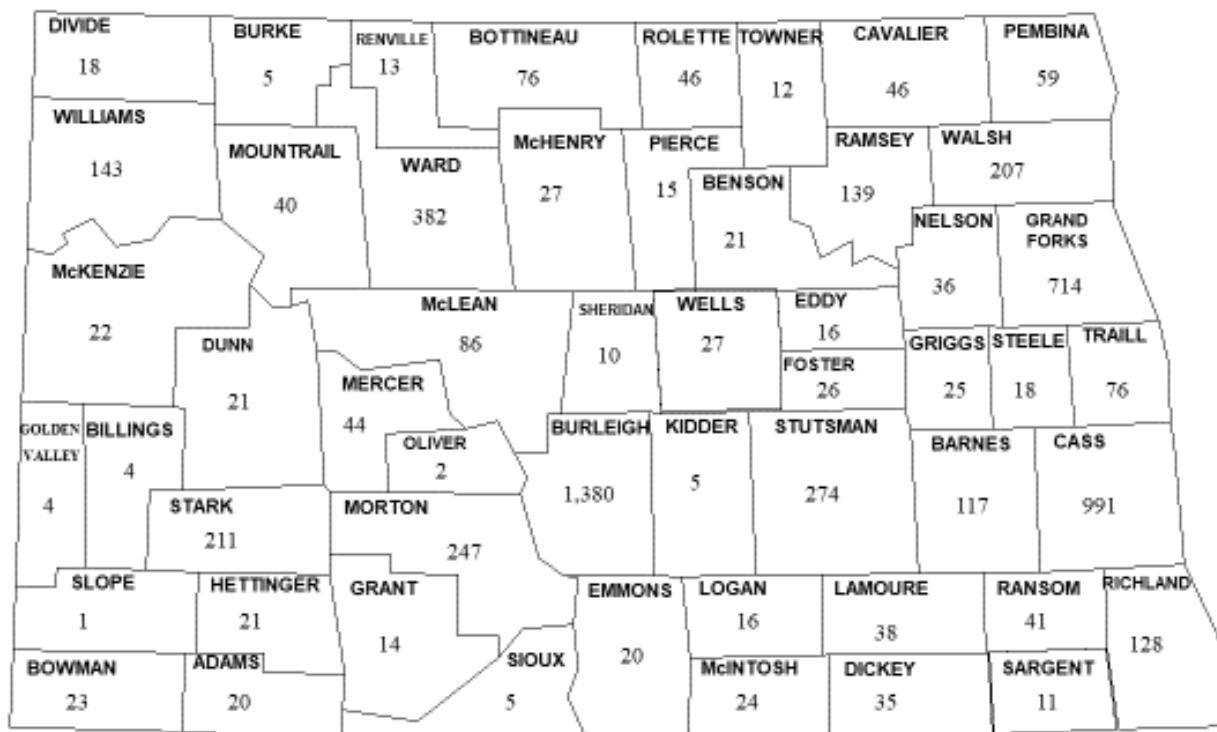
If a member or surviving spouse does not enroll within 31 days of any one of the above qualifying events, or does not meet one of the above qualifying events, he/she will have forfeited his/her rights to enroll in the Plan in the future.

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

VIII. Geographic Distribution of the Population

NDPERS Medicare Retiree Health Contracts

August 2020



Out-of-State – 1,097

Total – 7,099

IX. Confidentiality

Summary/checklist of specific items identified as trade secret.

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

- 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.
- Complete the table provided in Appendix E, 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 Open 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 open 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.

X. Questionnaire

Instructions: Your responses to the questionnaire must be formatted using the following table of contents using the same sequence (please note page numbers shall be sequential beginning with #1 and going forward to the end of the following sections):

Section	Title
1	Organization General Information
2	Account Management
3	Member Interface Services
4	EGWP Operations
5	Managed Care Protocols
6	Pharmacy Network
7	Implementation
8	Geo-Access
9	Financial
10	Services to be Performed
11	Confidential/Proprietary Information
12	Contract

1. Organization General Information

1.1 Provide a brief description of your organization, including your company history, corporate structure, services provided, location of headquarters, and length of time you have been in business.

1.2 Describe any significant historical or future organizational developments (acquisitions, mergers, etc.).

1.3 Include a description of your organization's major short-term strategic initiatives and your long-term strategic business plan as it relates to pharmacy benefits. Specifically address cost containment efforts, providing specific examples of how you have made changes that resulted in savings for your clients.

1.4 Describe how your organization differentiates itself from your competitors. Specifically, what makes your organization the best partner for NDPERS?

1.5 How many State clients do you serve as a pharmacy benefit administrator or EGWP provider? Please provide an answer for PBM and EGWP independently.

1.6 How many prescription drug plan clients (plan sponsors) does your organization do business with, please provide the number of fully insured vs self-funded plan sponsors?

1.7 How many prescription drug plan clients (plan sponsors) contract as a "transparent/pass through" model and how many clients contract as a "spread/traditional" model?

1.8 How many PBM members are serviced in prescription drug plans that your organization manages?

1.9 How many EGWP plans does your organization manage, please provide the number of fully-insured and/or self-funded EGWP plan sponsors?

1.10 How many members participate in the EGWP plans that you service, please provide the number of fully-insured and self-funded EGWP plan members?

1.11 Identify all services that are currently outsourced or subcontracted and the name of the vendor/partner. Describe how you ensure quality customer service and timely and effective issue resolution.

1.12 What ratings have you received from the following third party rating organizations?

Rating Organization	Rating	Date of Last Accreditation / Rating
A.M. Best		
Standard & Poor's		
Moody's		
NCQA (by product)		
JCAHO		

URAC		
American HealthCare Commission		

1.13 Please confirm that your organization has a successful SSAE18 and that you will provide a copy to NDPERS on an annual basis if awarded on a self-insured basis.

1.14 Please supply your data security policies & procedures. What is your 3-year history of data loss or breach? Do you have insurance to cover a breach or loss?

1.15 Are any of the services you are proposing to provide to NDPERS contracted outside the United States? Describe any business you do outside the United States and the financial impact, if any, of requiring those services to be provided within the United States.

1.19 Are there any major system enhancements or conversions planned or being considered within the next 24 months (specifically of interest is adjudication platform migrations or other services that may impact member or provider service or CMS adherence)?

1.20 Describe your business continuity and disaster recovery plans. Please be sure to address data security and file backup, claims processing, customer service centers, mail service and specialty fulfillment operations.

1.21 As discussed above in Section VII the NDPERS Part D plan product is “bundled” with its medical “supplement” plan. The board is considering unbundling the product and offering the Part D plan and the supplement independently beginning in 2022. Please discuss your perspective on this including but not limited to:

1.21.1 Do you think this would increase the possibility for adverse selection in the future?

1.21.2 If fully insured, would it affect your underwriting for future premium renewals?

1.21.3 Do have any direct experience with clients that have addressed this issue and if so what was the outcome of those discussions?

2. Account Management

2.1 Provide an overview of how the NDPERS relationship will be managed, both strategically and on a day-to-day basis. Include an organizational chart. Designate the names, titles, location, telephone numbers, and email addresses for the representatives listed below. For the account service individuals listed (b, c, d, and e below), provide brief biographical information, such as years of service with your company, experience as it relates to this proposal, and the number of clients for which they perform similar services:

2.1.1 The key individual representing your company during the proposal process;

2.1.2 The key individuals on your proposed implementation team;

- 2.1.3 The key individual assigned to overall contract management;
- 2.1.4 The key dedicated individual or team members responsible for day-to-day account management and service;
- 2.1.5 Medical and/or pharmacy director assigned to NDPERS (as applicable)
- 2.2 If desired, can NDPERS update and maintain eligibility and check employee claim status online? Are there charges for access to and use of these tools?
- 2.3 Confirm your ability to accept a weekly enrollment file from NDPERS (See Appendix B). What is the timeframe that the file will be processed and loaded?
- 2.4 Do you provide a weekly issues/discrepancy report once enrollment file is processed?
- 2.5 Please describe how you handle manual eligibility updates and the turn-around/timing of such updates.
- 2.6 Describe your preferred billing and premium payment cycle.
- 2.7 Please provide samples of standard utilization management reports that can be accessed by the plan sponsor via your portal.
- 2.8 Please provide a sample of a quarterly/semi-annual review
- 2.9 Please provide a sample of your rebate reconciliation report
- 2.10 Please provide a sample of large claim reporting
- 2.11 Please describe the frequency of the reporting and the flexibility NDPERS will have in determining when they receive reports.
- 2.12 Identify three EGWP clients that would serve as references for your organization's services and include their contact information including name, title, phone number, and email. Preferred responses include: 1) Other state retirement systems 2) Public entities 3) Employers with more than 5,000 covered lives.

3. Please identify three clients who have terminated their Medicare prescription drug plan services contract with your organization during the last two years as well as their contact information.

4. Member Services

- 4.1 Where is the primary and secondary customer service centers located that would provide services to the NDPERS membership?
- 4.2 Are any of the service centers located outside the continental United States? If so, where are they? Would NDPERS members be serviced by these locations?
- 4.3 What are the operating hours of the primary customer service centers?
- 4.4 What is the protocol for reaching a customer service representative?
- 4.5 What is necessary to opt out of recording?

- 4.6 What is the average wait time to talk to a live person? Peak and Non-peak hours?
- 4.7 How are the telephone calls serviced/routed for after-hours customer service calls (after normal business hours)?
- 4.8 Can a pharmacist be reached 24/7/365?
- 4.9 Is it a standard procedure to provide a direct contact to NDPERS for referring member issues for resolution?
- 4.10 How would your call center assist requests for members or potential members who are comparing the NDPERS EGWP and need specific information on drug coverage prior to the new plan year starting or being enrolled in the plan?
- 4.11 Are multi-lingual services available? If so, which languages?
- 4.12 Please explain the services center personnel training that is provided to accommodate individuals who have age related deficiencies in perception and sensory limitations.
- 4.13 How do you monitor customer service representatives for compliance and behavior? Are calls recorded and are communications documented for later review if requested?
- 4.14 Does your customer service inquiry system allow representatives to record comments so other customer service representatives can view previous notes to assist members?
- 4.15 Please describe the process associated with members who want to file a complaint about the behavior of a customer service representative --- include how the complaint is made, resolved and reported to NDPERS?
- 4.16 Do you provide single sign on access to link to third parties?
- 4.17 Can your member website be configured to include NDPERS specific plan design, pharmacy network locations, and drug price information?
- 4.18 Does your website offer a pharmacy locator? Does the site offer information on retail stores that are open 24 hours per day? Are members able to compare drug prices at multiple pharmacies at the same time?
- 4.19 Can members see their prescription drug history on your website? Are less costly formulary alternatives provided when reviewing drug history or searching for drug products?
- 4.20 Describe the web-enabled pricing comparison tools available to your members. Is the information tailored to specific benefits of each client? For example, if a member has no co-pay obligation, will the website reflect that benefit?
- 4.21 Please provide a graphic of the primary screens provided through your portal.
- 4.22 Is the portal home screen customizable to NDPERS?
- 4.23 Do you have a smart phone mobile application or a mobile-optimized

website? Please describe the capabilities of the mobile application.

4.24 Are ID cards the sole means of determining member eligibility? If not, please describe.

4.25 Describe your COB process for secondary claims processing/payment.

4.26 Please provide a sample member welcome packet

4.27 What percentage of claims in your EGWP book-of-business are e-prescribed?

5. EGWP Operations

5.1 What was the CMS star rating for your proposed plan/program for 2017, 2018 and 2019?

5.2 Does your organization administer your own payment dispute decision (PDD), if not how is this managed?

5.3 Does your organization report payment dispute events (PDE) to CMS directly or is there a separate reporting system organization that is subcontracted?

5.4 Describe your process and adherence to Prescription Drug Event (PDE) requirements with CMS?

5.5 What safety measures are employed to determine accuracy of PDE submissions (e.g., PDE Audits)

5.6 Does your system provide for NDPERS to review member OOP and True OOP reports for members?

5.7 How are Medicare Part B drugs managed through your system, how do you manage claims with overlapping coverage between Part D and Part B?

5.8 Is Part B claims management included in your base administration fee?

5.9 Describe your straddle claim process?

5.10 Describe your handling of members who are eligible for the low income premium subsidy available under Medicare Part D, specifically:

5.10.1 How are the members identified, and how are they informed of their enhanced benefits?

5.10.2 How are these members reported to the plan sponsor?

5.11 Do you offer contracting terms to all providers that meet CMS minimum terms?

5.12 Does your Medicare plan conform to a CMS approved Medicare Compliance plan? How is compliance monitored on an ongoing basis? Please describe your remediation process associated with areas of non-compliance.

5.13 Do you operate under an ERISA type appeal procedure when administering

governmental plans?

5.14 Do your internal policies and procedures conform to CMS part D requirements?

5.15 Do you provide contractual auditing requirements that conform to the HHS standard?

5.16 Describe your procedures to detect and prevent Fraud, Waste and Abuse (FWA) and ensure claims are paid accurately? Please outline such procedures and how you implement and monitor FWA in the plan operation.

5.17 Do you provide enrollment to CMS for PDPs or MAPDs?

5.18 Do you report quarterly rebates consistent with CMS standards?

5.19 What files would you require from the legacy EGWP provider in order to transition the plan to your organization?

5.20 Describe the medication transition process for EGWP members who have non-formulary products, or products that require prior authorizations or step therapy.

5.21 Describe your ability to provide and maintain a CMS compliant formulary program for NDPERS.

5.22 How frequently is your proposed formulary reviewed for Medicare plans?

5.23 Describe the support that you give the client during CMS audits.

5.24 Please describe your Part D disenrollment process for both voluntary and involuntary disenrollments. What is the timing for enrollments/disenrollments to go into effect?

5.25 Please describe the Part D enrollment process under your PDP: Are there differences for members who "aged in" to Medicare while enrolled in your plan, and members who are Medicare-eligible when they first enroll in your plan?

5.26 Please confirm that you will manage all CMS required member communications

5.27 Please confirm your network offering meets CMS requirements, describe any modifications to your network in North Dakota that will need to be made to meet requirements.

5.28 Describe your 90-day retail network in North Dakota (i.e. number and percent of state pharmacies in your 90-day network, if you will expand this network should you be selected by NDPERS, etc.)

5.29 Describe audit rights for EGWP plans. What types of audits will NDPERS be entitled to perform (PDE reconciliation, subsidy payments, financial guarantees, plan design)

6. Managed Care Protocols

6.1 Please provide a list of your clinical programs, with a short description of

each, and associated cost for each program. This may be provided as a separate exhibit or included in this questionnaire. At minimum, please include prior authorization, step therapy, quantity limits, drug utilization review, opioid management, diabetes management, compound management, and any distinct specialty drug management programs.

6.2 Please describe your Medication Therapy Management (MTM) program?

6.3 Please discuss how you measure adherence; do you track medication possession ratio (MPR) and/or proportion of days covered (PDC)? Are there other factors you evaluate for certain therapeutic classes?

6.4 Please provide a list of drugs, including NDCs, that require prior authorization.

6.5 How does the appeals process for prior authorization denials work?

6.6 Please describe your expedited appeals process?

6.7 Describe your clinical programs for managing high cost, high risk populations including but not limited to:

- 6.7.1 Cystic Fibrosis
- 6.7.2 Cholesterol
- 6.7.3 Diabetes
- 6.7.4 Growth Deficiency
- 6.7.5 Hemophilia
- 6.7.6 Hepatitis
- 6.7.7 HIV
- 6.7.8 Inflammatory conditions (e.g. Rheumatoid arthritis)
- 6.7.9 Medical reconciliation post discharge
- 6.7.10 Multiple Scleroses
- 6.7.11 Oncology
- 6.7.12 Pulmonary Conditions

6.8 What programs are available to address opioids?

6.9 Please describe your approach to specialty pharmacy. Focus on the aspects that differentiate your services in the market.

6.10 Are members contacted before each specialty fill? If so, is the outbound call made by a representative or an automated call?

6.11 What is the average length of time spent with a member prior to the first fill of their specialty medication?

6.12 Do you have pharmacists that are dedicated to serving members with certain disease states?

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

6.14 Please describe your formulary strategy, and how you engage your self-insured clients on coverage decisions related to extremely high cost therapies (e.g., CAR-T,

Zolgensma)

6.15 Do you work with any electronic medical record (EMR) companies to provide prescription drug information to prescribers?

6.16 Are you capable of receiving data and integrating it from an EMR?

7. Pharmacy Network

7.1 Is the mail service owned or subcontracted?

7.2 Where are the centers located that will service NDPERS?

7.3 What are the operating hours of the mail centers?

7.4 What is protocol if mail center does not have a drug in stock? Do you have a program at the mail facility to align and bundle shipment for members with more than one prescription?

7.5 Does your mail service pharmacy perform any interventions that are not performed in retail or are the interventions the same?

7.6 Confirm you offer expedited delivery of mail order prescriptions and who is responsible for paying for the expedited service (the plan or the member)

7.7 Please provide the name of your primary expedited shipping vendor.

7.8 How many specialty pharmacies do you operate? Are the specialty pharmacies owned or subcontracted? Where are they located? Which specialty pharmacy would primarily service the NDPERS account?

7.9 List the name of your proposed pharmacy network and the number of pharmacies that participate both nationally and in North Dakota.

7.10 Does your proposed pharmacy network have sufficient pharmacy participation across North Dakota to service the NDPERS membership considering there are no national chains in the State?

8. Implementation

8.1 Can you provide a CMS compliant transition for NDPERS given the expected contract start date of January 1, 2021?

8.2 Please provide a Gantt chart of the implementation process to ensure a January 1, 2021 start date. Proposers must outline in detail the specific activities and tasks necessary to implement the NDPERS program. Be specific with regard to the following:

8.2.1 Amount of total time needed to effectively implement the program including benefit testing, etc.

8.2.2 Activities/tasks and corresponding timing (Detailed Timeline)

8.2.3 Responsible parties and amount of time dedicated to implementation, broken

out by vendor, current vendor and NDPERS staff

8.2.4 Any transition activities required with incumbent carriers, including data transfers and providing members adequate notice regarding current care or treatment plans at least 60 days prior to a change

8.2.5 Length of time implementation team lead and members will be available to NDPERS

NDPERS Performance Guarantees

Performance Indicator	Reporting Measurement (subject to audit by NDPERS and/or contract auditors)	Standard/Goal - Reported Quarterly	Penalty
Telephone Response - Incoming Calls	80% of Incoming calls will be answered by an attendant or interactive voice response within 30 seconds.	30 seconds or less	\$300 per quarter
Telephone Response - Abandonment Rate	The telephone abandonment rate will be less than 3% of calls.	3% or less	\$300 per quarter
Provider Network	Network will not decrease by more than 5%,	5% or less	\$5000 per year
Satisfaction Survey - Customer Service	At least once per year, the Contractor shall measure employee and retiree satisfaction through a customer satisfaction survey. Employees and retirees will indicate their level of satisfaction pertaining to customer service using a five-point scale with one being the lowest rating and five being the highest rating. NDPERS and the Contractor will mutually agree on the number and content of the questions to be included in the survey.	85.0% and higher	\$1200 per year

Turnaround Time - All Claims	Contractor will adjudicate at least 99% of all eligible claims which received by the Contractor within 14 calendar days. The claim turnaround time is measured from the date received by the Contractor to the date adjudicated (paid, denied or pending).	14 Calendar Days	\$2500 per year
Network Participation Rate	Pharmacies 92%	ND Pharmacies 92%	\$5000 per year

8.3 How much lead time is necessary for you to guarantee that ID cards will be received by members prior to the plan year effective date of January 1, 2021?

8.4 If you are provided with prior pharmacy claims history, is it possible for you to load open prior authorizations files, specialty pharmacy claims histories, open mail order refills, and accumulator files to avoid member disruption? If yes, explain the recommended process to follow and data specifications for transfer of data.

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

8.6 Is training provided to NDPERS staff on EGWP administration and compliance?

8.7 Provide the data layouts that your organization would need for the various inputs during install.

9. Geo-Access

9.1 Please identify all members included in the census provided without access to an in-network pharmacy within 10 miles. Please provide an analysis based on your 30 day retail network and your 90 day retail network..

10. Financial

There are no commissions to be paid under this arrangement to any intermediary. Failure to comply with this provision will disqualify any potential proposer.

10.1 Confirm your submission includes the fully-insured and self-insured cost proposals Appendix F in Excel format

10.2 What has been the annual trend rate for EGWP programs that you manage for 2017, 2018, and 2019?

10.3 Please provide a list of proposed performance guarantees.

11. Services to be Performed

11.1 Respondent must confirm each of the services in Appendix D and note any deviations for each service identified.

12. Confidential/Proprietary Information

Respondent must complete the form in Appendix E relating to any information they believe is confidential/Proprietary information.

13. Regulatory Compliance

Indicate that you can comply with all the requirements of North Dakota Century Code chapter 54-52.1

Indicate if you could comply with the preference criteria in 54-52.1-04.15.

Indicate if your proposal includes:

- a. Compliance with 54-52.1-04.16
- b. Does not include compliance 54-52.1-04.16
- c. Includes both

Indicate any other areas of 54-52.1 you cannot meet and why you do not feel you would be able to comply

14. Contract

Respondent must provide in this section the proposed contract for the work effort pursuant to the direction in "III Objectives of RFP – Transparent/Traditional PBM".

Any proposed contract must comply with the provisions of the standard state contract, Business Associate Agreement and NDPERS Data Agreement in Appendix A.

Appendix A – Model State Contract

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

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

- 1) **SCOPE OF SERVICES:** CONTRACTOR agrees to provide the service(s) as specified in the 2018 RFP and proposal (attached hereto and incorporated by reference Exhibit A).
- 2) **TERM:** The term of this contract shall commence January 1, 2019.
- 3) **FEES:** NDPERS shall only pay pursuant to the terms in Exhibit A.
- 4) **BILLINGS:** NDPERS will pay for the services provided by CONTRACTOR under this contract pursuant to a per participant monthly fee in Section V of the proposal. Payments will be made monthly based upon an invoice identifying the number of participants for that month.
- 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 law or rule, or by the terms of this Agreement, is for any reason denied, revoked, suspended, or not renewed.

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

In addition, NDPERS may terminate this Agreement effective upon thirty (30) days prior written notice to CONTRACTOR, or any later date stated in the notice:

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

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

- 6) **ASSIGNMENT AND SUBCONTRACTS:**

CONTRACTOR may not assign or otherwise transfer or delegate any right or duty without STATE's express written consent, provided, however, that CONTRACTOR may assign its rights and obligations hereunder in the event of a change of control or sale of all or substantially all of its assets related to this Contract, whether by

merger, reorganization, operation of law, or otherwise. Should Assignee be a business or entity with whom STATE is prohibited from conducting business, STATE shall have the right to terminate without cause.

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

- 7) **ACCESS TO RECORDS AND CONFIDENTIALITY:** The parties agree that all participation by NDPERS members and their dependents in programs administered by NDPERS is confidential under North Dakota law. CONTRACTOR may request and NDPERS shall provide directly to CONTRACTOR upon such request, confidential information necessary for CONTRACTOR to provide the services described in Exhibit A. CONTRACTOR shall keep confidential all NDPERS information obtained in the course of delivering services. Failure of CONTRACTOR to maintain the confidentiality of such information may be considered a material breach of the contract and may constitute the basis for additional civil and criminal penalties under North Dakota law. CONTRACTOR has exclusive control over the direction and guidance of the persons rendering services under this Agreement. Upon termination of this Agreement, for any reason, CONTRACTOR shall return or destroy all confidential information received from NDPERS, or created or received by CONTRACTOR on behalf of NDPERS. This provision applies to confidential information that may be in the possession of subcontractors or agents of CONTRACTOR. CONTRACTOR shall retain no copies of the confidential information. In the event that CONTRACTOR asserts that returning or destroying the confidential information is not feasible, CONTRACTOR shall provide to NDPERS notification of the conditions that make return or destruction infeasible. Upon explicit written agreement of NDPERS that return or destruction of confidential information is not feasible, CONTRACTOR shall extend the protections of this Agreement to that confidential information and limit further uses and disclosures of any such confidential information to those purposes that make the return or destruction infeasible, for so long as CONTRACTOR maintains the confidential information. CONTRACTOR shall not use or disclose any information it receives from NDPERS under this Agreement that NDPERS has previously identified as confidential or exempt from mandatory public disclosure except as necessary to carry out the purposes of this Agreement or as authorized in advance by NDPERS. NDPERS shall not disclose any information it receives from CONTRACTOR that CONTRACTOR has previously identified as confidential and that NDPERS determines in its sole discretion is protected from mandatory public disclosure under a specific exception to the North Dakota public records law, N.D.C.C. ch. 44-04. The duty of NDPERS and CONTRACTOR to maintain confidentiality of information under this section continues beyond the term of this Agreement. CONTRACTOR understands that, except for disclosures prohibited in this Agreement, NDPERS must disclose to the public upon request any records it receives from CONTRACTOR. CONTRACTOR further understands that any records that are obtained or generated by CONTRACTOR under this Agreement, except for records that are confidential under this Agreement, may, under certain circumstances, be open to the public upon request under the North Dakota public records law. CONTRACTOR agrees to contact NDPERS immediately upon receiving a request for information under the public records law and to comply with NDPERS's instructions on how to respond to the request.

- 8) **APPLICABLE LAW AND VENUE:** This Agreement is governed by and construed in accordance with the laws of the State of North Dakota. Any action to enforce this Contract must be adjudicated exclusively in the state District Court of Burleigh County, North Dakota. Each party consents to the exclusive jurisdiction of such court and waives any claim of lack of jurisdiction or *forum non conveniens*.
- 9) **MERGER AND MODIFICATION:** This Agreement, including the following documents, constitutes the entire agreement between the parties. There are no understandings, agreements, or representations, oral or written, not specified within this Agreement. This Agreement may not be modified, supplemented or amended, in any manner, except by written agreement signed by both parties.
- Notwithstanding anything herein to the contrary, in the event of any inconsistency or conflict among the documents making up this Agreement, the documents must control in this order of precedence: First – the terms of this Agreement, as may be amended and Second - the state's Request for Proposal (attached in Exhibit A) and Third – CONTRACTOR's Proposal (attached in Exhibit A). No waiver, consent, modification or change of terms of this Agreement shall bind either party unless in writing and signed by both parties. Such waiver, consent, modification or change, if made, shall be effective only in the specific instances and for the specific purpose given. There are no understandings, agreements, or representations, oral or written, not specified herein regarding this Agreement.
- 10) **INDEMNITY:** CONTRACTOR agrees to defend, indemnify, and hold harmless the state of North Dakota, its agencies, officers and employees (State), from and against claims based on the vicarious liability of the State or its agents, but not against claims based on the State's contributory negligence, comparative and/or contributory negligence or fault, sole negligence, or intentional misconduct. This obligation to defend, indemnify, and hold harmless does not extend to professional liability claims arising from professional errors and omissions. The legal defense provided by CONTRACTOR to the State under this provision must be free of any conflicts of interest, even if retention of separate legal counsel for the State is necessary. Any attorney appointed to represent the State must first qualify as and be appointed by the North Dakota Attorney General as a Special Assistant Attorney General as required under N.D.C.C. § 54-12-08. CONTRACTOR also agrees to defend, indemnify, and hold the State harmless for all costs, expenses and attorneys' fees incurred if the State prevails in an action against CONTRACTOR in establishing and litigating the indemnification coverage provided herein. This obligation shall continue after the termination of this Agreement.
- 11) **INSURANCE**
- Contractor shall secure and keep in force during the term of this agreement and Contractor shall require all subcontractors, prior to commencement of an agreement between Contractor and the subcontractor, to secure and keep in force during the term of this agreement, from insurance companies, government self-insurance pools or government self-retention funds, authorized to do business in North Dakota, the following insurance coverages:
- 1) Commercial general liability, including premises or operations, contractual, and products or completed operations coverages (if applicable), with minimum liability limits of \$1,000,000 per occurrence.
 - 2) 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.

- 3) Workers compensation coverage meeting all statutory requirements. The policy shall provide coverage for all states of operation that apply to the performance of this contract.
- 4) Employer's liability or "stop gap" insurance of not less than \$1,000,000 as an endorsement on the workers compensation or commercial general liability insurance.
- 5) Professional errors and omissions with minimum limits of \$1,000,000 per claim and in the aggregate, Contractor shall continuously maintain such coverage during the 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.

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. ***Optional Provision:*** The amount of any deductible or self-retention is subject to approval by the State.
 - 2) This insurance may be in policy or policies of insurance, primary and excess, including the so-called umbrella or catastrophe form and must be placed with insurers rated "A-" or better by A.M. Best Company, Inc., provided any excess policy follows form for coverage. Less than an "A-" rating must be approved by the State. The policies shall be in form and terms approved by the State.
 - 3) The duty to defend, indemnify, and hold harmless the State under this agreement shall not be limited by the insurance required in this agreement.
 - 4) The state of North Dakota and its agencies, officers, and employees (State) shall be endorsed on the commercial general liability policy, including any excess policies (to the extent applicable), as additional insured. The State shall have all the benefits, rights and coverages of an additional insured under these policies that shall not be limited to the minimum limits of insurance required by this agreement or by the contractual indemnity obligations of the Contractor.
 - 5) A "Waiver of Subrogation" waiving any right to recovery the insurance company may have against the State.
 - 6) The Contractor shall furnish a certificate of insurance to the undersigned State representative prior to commencement of this agreement. All endorsements shall be provided as soon as practicable.
 - 7) Failure to provide insurance as required in this agreement is a material breach of contract entitling the State to terminate this agreement immediately.
 - 8) Contractor shall provide at least 30 day notice of any cancellation or material change to the policies or endorsements. Contractor shall provide on an ongoing basis, current certificates of insurance during the term of the contract. A renewal certificate will be provided 10 days prior to coverage expiration.
- 12) **SEVERABILITY:** If any term in this Agreement is declared by a court having jurisdiction to be illegal or unenforceable, the validity of the remaining terms must not be affected, and, if possible, the rights and obligations of the parties are to be construed and enforced as if the Agreement did not contain that term.
 - 13) **INDEPENDENT ENTITY:** CONTRACTOR is an independent entity under this Agreement and is not a State employee for any purpose, including the application of the Social Security Act, the Fair Labor Standards Act, the Federal Insurance Contribution Act, the North Dakota Unemployment Compensation Law and the North

Dakota Workforce Safety and Insurance Act. CONTRACTOR retains sole and absolute discretion in the manner and means of carrying out CONTRACTOR'S activities and responsibilities under this Agreement, except to the extent specified in this Agreement.

- 14) **NDPERS RESPONSIBILITIES:** NDPERS shall cooperate with the CONTRACTOR hereunder, including, without limitation, providing the CONTRACTOR with reasonable and timely access to data, information and personnel of NDPERS. NDPERS shall be responsible for the performance of its personnel and agents and for the accuracy and completeness of data and information provided to the CONTRACTOR for purposes of the performance of the Services.
- 15) **FORCE MAJEURE:** Neither party shall be held responsible for delay or default caused by fire, riot, terrorism, acts of God or war if the event is beyond the party's reasonable control and the affected party gives notice to the other party immediately upon occurrence of the event causing the delay or default or that is reasonably expected to cause a delay or default.
- 16) **ALTERNATIVE DISPUTE RESOLUTION – JURY TRIAL:** By entering into this Contract, NDPERS does not agree to binding arbitration, mediation, or any other form of mandatory Alternative Dispute Resolution. The parties may enforce the rights and remedies in judicial proceedings. STATE does not waive any right to a jury trial.
- 17) **NOTICE:** All notices or other communications required under this contract must be given by registered or certified mail and are complete on the date mailed when addressed to the parties at the following addresses:

NDPERS:

Sharon Schiermeister, Chief Operating Officer

ND Public Employees Retirement System
400 East Broadway, Suite 505
PO Box 1657
Bismarck, ND 58502-1657

CONTRACTOR:

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

- 18) **NONDISCRIMINATION AND COMPLIANCE WITH LAWS:** CONTRACTOR agrees to comply with all applicable federal and state laws, rules, and policies, including those relating to nondiscrimination, accessibility and civil rights. (See N.D.C.C. Title 34 – Labor and Employment, specifically N.D.C.C. ch. 34-06.1 Equal Pay for Men and Women.)
CONTRACTOR agrees to timely file all required reports, make required payroll deductions, and timely pay all taxes and premiums owed, including sales and use taxes, unemployment compensation and workers' compensation premiums. CONTRACTOR shall have and keep current at all times during the Term of this Contract all licenses and permits required by law.
CONTRACTOR's failure to comply with this section may be deemed a material breach by CONTRACTOR entitling STATE to terminate in accordance with the Termination for Cause section of this Contract.

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

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

**NORTH DAKOTA PUBLIC
EMPLOYEES RETIREMENT SYSTEM**

CONTRACTOR

Executive Director
ND Public Employees Retirement System

Signature

Printed Name

Title

Date

Date

Business Associate Agreement

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

1. Definitions

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

2. Obligations of Business Associate.

2.1. The Business Associate agrees:

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

- vii. a brief description of what the Business Associate is doing to investigate the breach, to mitigate harm to individuals, and to protect against any further breaches; and
 - viii. any other available information that the Covered Entity is required to include in notification to an individual under 45 C.F.R. § 164.404(c) at the time of the notification to the State required by this subsection or promptly thereafter as information becomes available.
- f. With respect to any use or disclosure of Unsecured Protected Health Information not permitted by the Privacy Rule that is caused by the Business Associate's failure to comply with one or more of its obligations under this Agreement, the Business Associate agrees to pay its reasonable share of cost-based fees associated with activities the Covered Entity must undertake to meet its notification obligations under the HIPAA Rules and any other security breach notification laws;
- g. Ensure that any agent or subcontractor that creates, receives, maintains, or transmits electronic PHI on behalf of the Business Associate agree to comply with the same restrictions and conditions that apply through this Agreement to the Business Associate.
- h. To make available to the Secretary of Health and Human Services the Business Associate's internal practices, books, and records, including policies and procedures relating to the use and disclosure of PHI and ePHI received from, or created or received by Business Associate on behalf of Covered Entity, for the purpose of determining the Covered Entity's compliance with the HIPAA Privacy Rule, subject to any applicable legal privileges.
- i. To document the disclosure of PHI related to any disclosure of PHI as would be required for Covered Entity to respond to a request by an Individual for an accounting of disclosures of PHI in accordance with 45 C.F.R. § 164.528.
- j. To provide to Covered Entity within 15 days of a written notice from Covered Entity, information necessary to permit the Covered Entity to respond to a request by an Individual for an accounting of disclosures of PHI in accordance with 45 C.F.R. § 164.528.
- k. To provide, within 10 days of receiving a written request, information necessary for the Covered Entity to respond to an Individual's request for access to PHI about himself or herself, in the event that PHI in the Business Associate's possession constitutes a Designated Record Set.
- l. Make amendments(s) to PHI in a designated record set as directed or agreed by the Covered Entity pursuant to 45 C.F.R. § 164.526 or take other measures as necessary to satisfy the covered entity's obligations under that section of law.

3. Permitted Uses and Disclosures by Business Associate

3.1. General Use and Disclosure Provisions

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

3.2. Specific Use and Disclosure Provisions

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

- a. For the proper management and administration of the Business Associate, provided that disclosures are Required By Law, or Business Associate obtains reasonable assurances from the person to whom the information is disclosed that it

will remain confidential and used or further disclosed only as Required By Law or for the purpose for which it was disclosed to the person, and the person notifies the Business Associate of any instances of which it is aware in which the confidentiality of the information has been breached.

- b. To provide Data Aggregation services to Covered Entity as permitted by 45 C.F.R. § 164.504(e)(2)(i)(B), but Business Associate may not disclose the PHI or ePHI of the Covered Entity to any other client of the Business Associate without the written authorization of the covered entity Covered Entity.
- c. To report violations of law to appropriate Federal and State authorities, consistent with 45 C.F.R. §§ 164.304 and 164.502(j)(1).

4. Obligations of Covered Entity

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

Covered Entity shall notify Business Associate of:

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

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

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

4.2. Permissible Requests by Covered Entity

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

5. Term and Termination

- a. Term. The Term of this Agreement shall be effective as of January 1, 2019, and shall terminate when all of the PHI and ePHI provided by Covered Entity to Business Associate, or created or received by Business Associate on behalf of Covered Entity, is destroyed or returned to Covered Entity, or, if it is infeasible to return or destroy PHI and ePHI, protections are extended to any such information, in accordance with the termination provisions in this Section.
- b. Automatic Termination. This Agreement will automatically terminate upon the termination or expiration of the Underlying Agreement.
- c. Termination for Cause. Upon Covered Entity's knowledge of a material breach by Business Associate, Covered Entity shall either:
 - 1. Provide an opportunity for Business Associate to cure the breach or end the violation and terminate this Agreement and the Underlying Agreement if Business Associate does not cure the breach or end the violation within the time specified by Covered Entity;
 - 2. Immediately terminate this Agreement and the Underlying Agreement if Business Associate has breached a material term of this Agreement and cure is not possible; or
 - 3. If neither termination nor cure is feasible, Covered Entity shall report the violation to the Secretary.
- d. Effect of Termination.
 - 1. Except as provided in paragraph (2) of this subsection, upon termination of this Agreement, for any reason, Business Associate shall return or destroy all PHI received from Covered Entity, or created or received by Business Associate on behalf of Covered Entity. This provision shall apply to PHI and ePHI that is in the possession of subcontractors or agents of Business Associate. Business Associate shall retain no copies of the PHI or ePHI.
 - 2. In the event that Business Associate determines that returning or destroying the PHI or ePHI is not feasible, Business Associate shall provide to Covered Entity notification of the conditions that make return or destruction infeasible. Upon explicit written agreement of Covered Entity that return or destruction of PHI or ePHI is not feasible, Business Associate shall extend the protections of this Agreement to that PHI and ePHI and limit further uses and disclosures of any such PHI and ePHI to those purposes that make the return or destruction infeasible, for so long as Business Associate maintains that PHI or ePHI.

6. Miscellaneous

- a. Regulatory References. A reference in this Agreement to a section in the HIPAA Privacy or Security Rule means the section as in effect or as amended.
- b. Amendment. The Parties agree to take such action as is necessary to amend this Agreement from time to time as is necessary for Covered Entity to comply with the requirements of the Privacy Rule, the Security Rule, and the Health Insurance Portability and Accountability Act of 1996, Pub. L. No. 104-191.
- c. Survival. The respective rights and obligations of Business Associate under Section 5.c, related to "Effect of Termination," of this Agreement shall survive the termination of this Agreement.
- d. Interpretation. Any ambiguity in this Agreement shall be resolved to permit Covered Entity to comply with the Privacy and Security Rules.
- e. No Third Party Beneficiaries. Nothing express or implied in this Agreement is intended to confer, nor shall anything this Agreement confer, upon any person

other than the parties and their respective successors or assigns, any rights, remedies, obligations or liabilities whatsoever.

- f. Applicable Law and Venue. This Business Associate Agreement is governed by and construed in accordance with the laws of the State of North Dakota. Any action commenced to enforce this Contract must be brought in the District Court of Burleigh County, North Dakota.
- g. Business Associate agrees to comply with all the requirements imposed on a business associate under Title XIII of the American Recovery and Reinvestment Act of 2009, the Health Information Technology for Economic and Clinical Health (HI-TECH) Act, and, at the request of NDPERS, to agree to any reasonable modification of this agreement required to conform the agreement to any Model Business Associate Agreement published by the Department of Health and Human Services.

7. Entire Agreement

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

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

For Covered Entity:

For Business Associate:

Executive Director
ND Public Employees Retirement System

Signature

Printed Name

Title

Date

Date

MEMORANDUM OF UNDERSTANDING BETWEEN THE
NORTH DAKOTA PUBLIC EMPLOYEES RETIREMENT SYSTEM
AND **NAME OF PROVIDER**
RELATING TO MAINTAINING CONFIDENTIAL INFORMATION

This Memorandum of Understanding is between the State of North Dakota acting through its North Dakota Public Employees Retirement System (NDPERS) and **NAME OF PROVIDER** relating to maintenance and destruction of NDPERS Confidential Information held by **NAME OF PROVIDER** and its subsidiaries.

WHEREAS, NDPERS has previously entered into contracts with **NAME OF PROVIDER** to provide services related to administration of the NDPERS **PUT THE PROGRAM SPECIFICS HERE** (Contracts).

WHEREAS, the services provided by **NAME OF PROVIDER** under these Contracts required the exchange of information between the parties that is confidential under North Dakota Century Code §§ **CHANGE ACCORDING TO PROGRAM 54-52.1-11 and 54-52.1-12** (Confidential Information).

WHEREAS, the parties acknowledge that these Contracts, including the Business Associate Agreements between the parties, required **NAME OF PROVIDER** to return or destroy Confidential Information subsequent to the termination of the applicable Contract, or if return or destruction of this information was infeasible to maintain its confidentiality.

WHEREAS, these Contracts have terminated and **NAME OF PROVIDER** has asserted and NDPERS agrees that member service, applicable audit, record keeping, and other required functions make the return or destruction of all Confidential Information infeasible at this time.

WHEREAS, **NAME OF PROVIDER** has provided and NDPERS has reviewed the **NAME OF PROVIDER** records retention policy (Policy) applicable to the Confidential Information and **NAME OF PROVIDER** has affirmed that it will maintain the confidentiality of NDPERS information pursuant to this Policy until such time as the information is destroyed in a manner designated by this Policy.

NOW THEREFORE, in consideration of the foregoing premises and in furtherance of the aforementioned contractual obligations, the parties agree as follows:

1. **NAME OF PROVIDER** shall continue to maintain the confidentiality of Confidential Information which it still possesses, in accordance with its Policy in a manner that is at least as secure and diligent as was done during the term of the applicable Contract, until such time as the Confidential Information is destroyed or returned.
2. Upon the request of NDPERS, **NAME OF PROVIDER** shall confirm the destruction of Confidential Information under its Policy.
3. Upon the request of NDPERS, **NAME OF PROVIDER** shall provide NDPERS a copy of any change to the Policy provided NDPERS on **DATE HERE**.
4. NDPERS agrees these actions are consistent with **NAME OF PROVIDER** obligations under these Contracts.
5. This Memorandum of Understanding will terminate upon notice to NDPERS by **NAME OF PROVIDER** that all Confidential Information has either been returned to NDPERS or destroyed, or earlier, upon thirty (30) days' notice by NDPERS to **NAME OF PROVIDER** if NDPERS determines that the Policy has been modified in a manner that is inconsistent with state or federal law.
6. This Memorandum of Understanding shall be governed by, and construed in accordance with, the laws of the State of North Dakota.

NORTH DAKOTA PUBLIC EMPLOYEES RETIREMENT SYSTEM

BY: _____

Executive Director

Date: _____

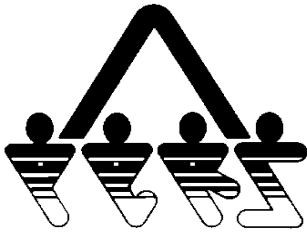
NAME OF PROVIDER

BY: _____

Its: _____

Date: _____

Attach Contractor Records Retention Policy



North Dakota
Public Employees Retirement System
400 East Broadway, Suite 505 • Box 1657
Bismarck, North Dakota 58502-1657

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

FAX: (701) 328-3920 • EMAIL: NDPERS-info@nd.gov • www.nd.gov/ndpers

Memorandum

TO: PERS Board

FROM: Bryan Reinhardt

DATE: **August 18, 2020**

SUBJECT: 2019 Active Health Care Report

Here is the 2019 NDPERS Active health care report. There was a decrease in enrollment from 2018. Costs and trends increased slightly. The 2019 active charges increased 2.9% from 2018. The 2019 active plan paid per member increased 4.1% from the 2018 per capita paid.

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.

2019 NDPERS Health Care Analysis



North Dakota Public Employees Retirement System

For January - December 2019, there were 18,698 active NDPERS employees. This is about 71% of the NDPERS contracts. The average age of these employees was 47 years. This is the same as in 2018. There were 31,403 dependents of NDPERS employees on the NDPERS Health Plan. This is an average active contract size of 2.68 (2.29 for the total plan).

HOSPITAL

NDPERS health plan members had 452,091 hospital claims/services from January to December 2019. These claims had \$298,382,149 in total charges. The NDPERS Health Plan paid \$128,610,312 toward these charges.

HOSPITAL UTILIZATION ADMISSION: 01/2019 - 12/2019

	CLAIMS	%	DAYS	CHARGES	PAID
CLAIM TYPE: IP=Inpatient OP=Outpatient					
OTHERS	10280	2	1101	\$14,215,824	\$7,134,170
IP NEWBORN	2846	1	593	\$5,837,833	\$2,801,737
IP MEDICAL	126594	28	2853	\$75,891,346	\$29,947,731
IP MATERNITY	267	0	34	\$282,408	\$167,608
IP SURGICAL	16511	4	1511	\$56,451,412	\$24,351,887
IP PSYCH	1677	0	1061	\$5,025,583	\$2,367,255
IP CHEM DEP	1071	0	503	\$2,463,455	\$909,750
OP SURGICAL	7934	2	0	\$23,358,430	\$14,715,362
OP MEDICAL	282445	62	0	\$113,521,106	\$45,263,464
SNF, HOSPICE & SWING BED	279	0	0	\$255,266	\$193,134
HOME HEALTH AG	2504	1	0	\$988,244	\$700,793
TOTAL	452408	100	7656	\$298,290,907	\$128,552,890

PHYSICIAN/CLINIC

NDPERS health plan members had 1,097,263 physician/clinic services from January to December 2019. These services had 216,509,638 in total charges. The NDPERS Health Plan paid \$97,765,905 toward these charges.

PHYSICIAN/CLINIC UTILIZATION
SERVICE DATE: 01/2019 - 12/2019

	SERVICES	%	CHARGES	PAID
TYPE OF SERVICE				
SURGERY-OP	7259	1	\$6,982,066	\$2,794,673
IP VISITS	93181	8	\$43,971,097	\$18,800,985
OP / ER VISITS	25116	2	\$7,839,571	\$3,303,256
OFFICE CALLS	869121	79	\$146,391,313	\$69,212,692
CHEM/PSYCH	1711	0	\$278,304	\$159,182
THERAPIES	90	0	\$38,719	\$23,513
DIAGNOSTIC	100785	9	\$11,008,567	\$3,471,604
TOTAL	1097263	100	\$216,509,638	\$97,765,905

PRESCRIPTION DRUGS

NDPERS health plan members had 581,079 pharmacy claims from January to December 2019. These claims had \$60,232,340 in total charges. The NDPERS Health Plan paid \$49,619,966 toward these charges.

PRESCRIPTION DRUG UTILIZATION
FILL DATE: 01/2019 - 12/2019

	CLAIMS	%	CHARGES	PAID
PRESCRIPTION DRUGS				
NON-GENERIC	102999	18	\$48,980,449	\$42,096,295
GENERIC	478080	82	\$11,251,891	\$7,523,672
TOTAL	581079	100	\$60,232,340	\$49,619,966

Generic drug use is at 82% lower than the 86% reported in 2018. It was 85% in 2017, 84% in 2016, 82% in 2015, 81% in 2014, 80% in 2013, 77% in 2012, 74% in 2011, 71% in 2010, 68% in 2009, 65% in 2008, 60% in 2007, 56% in 2006, 52% in 2005, 48% in 2004, 44% in 2003, 41% in 2002, 40% in 2001 and 2000, 41% in 1999, 43% in 1998 and 44% 1997. The plan paid average was \$16 for generic and \$409 for non-generic.

EMPLOYEES, SPOUSES, & CHILDREN
BY MEMBERSHIP & CLAIM TYPE
01/2018 - 12/2018

	MEMBERSHIP		HOSPITAL CLAIMS		PHYSICIAN SERVICES		PHARMACY CLAIMS	
	Sum	%	Sum	%	Sum	%	Sum	%
CHILDREN	19502	39	102495	23	328471	30	106096	18
EMPLOYEE	18698	37	206737	46	469580	43	291105	50
SPOUSE	11901	24	143276	32	299212	27	183878	32
TOTAL	50101	100	452508	100	1097263	100	581079	100

SUMMARY

Employees make up 37% of the active membership, but are responsible for 43% to 50% of the claims/services.

The following graph shows that the number of active claims per month increased slightly throughout 2019. Note a decrease is expected as the active contract enrollment dropped from 21,470 in 2016 to 20,976 in 2017 to 19,782 in 2018 to 18,698 in 2019.

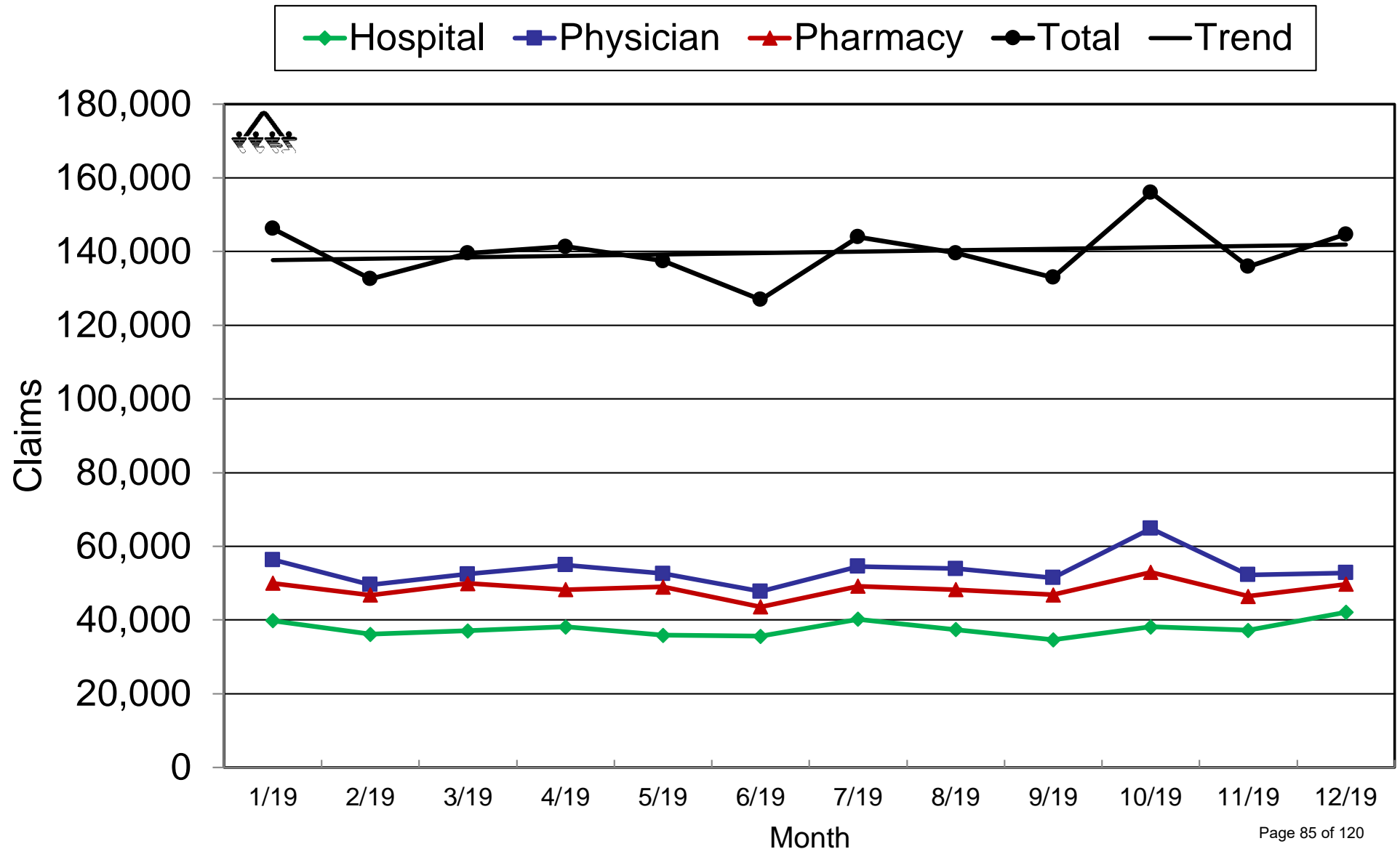
The second graph shows that per capita charges increased 2.9%, and per capita costs increased about 4.1% from 2018 to 2019. The average charge per active member per month was \$124 in 1994, \$134 in 1995, \$143 in 1996, \$155 in 1997, \$171 in 1998, \$189 in 1999, \$207 in 2000, \$224 in 2001, \$256 in 2002, \$300 in 2003, \$318 in 2004, \$363 in 2005, \$396 in 2006, \$437 in 2007, \$484 in 2008, \$503 in 2009, \$531 in 2010, \$579 in 2011, \$603 in 2012, \$666 in 2013, \$730 in 2014, \$777 in 2015, \$830 in 2016, \$864 in 2017, \$930 in 2018, and \$957 in 2019. The average amount paid by the NDPERS Health Plan per capita was \$84 in 1994, \$92 in 1995, \$96 in 1996, \$100 in 1997, \$110 in 1998, \$114 in 1999, \$117 in 2000, \$122 in 2001, \$134 in 2002, \$153 in 2003, \$163 in 2004, \$185 in 2005, \$206 in 2006, \$226 in 2007, \$249 in 2008, \$253 in 2009, \$267 in 2010, \$290 in 2011, \$299 in 2012, \$319 in 2013, \$340 in 2014, \$387 in 2015, \$425 in 2016, \$423 in 2017, \$441 in 2018, and \$459 in 2019.

The last page shows that 2018-2019 overall per capita costs increased slightly for the NDPERS health plan. The majority of this increase was due to the active employees (contract holders).

North Dakota Public Employees Retirement System

Active Health Insurance Claims

Jan-Dec 2019

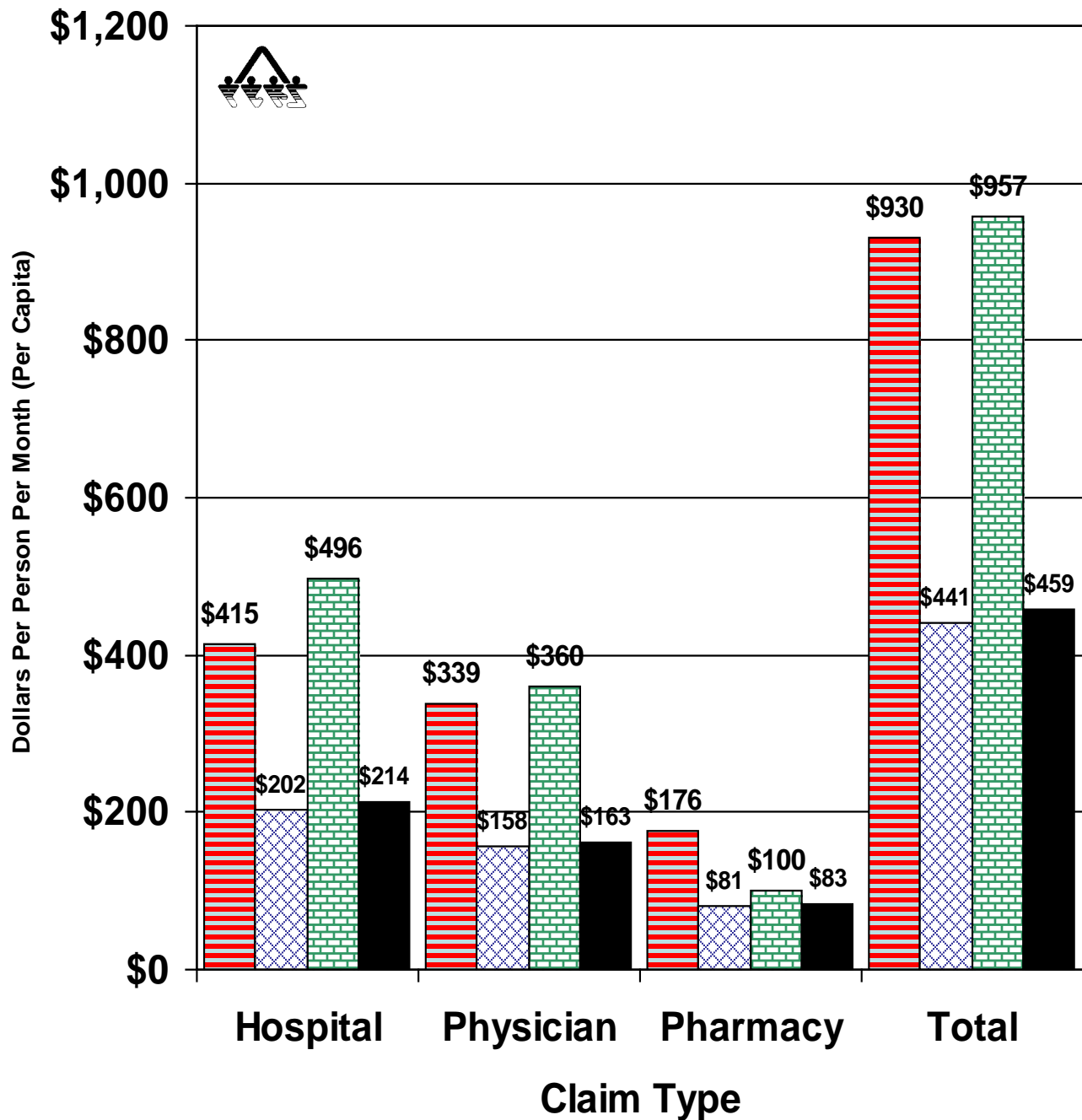


NDPERS Health Plan

Active Contracts

2018-2019

2018 Charge 2018 Paid 2019 Charge 2019 Paid

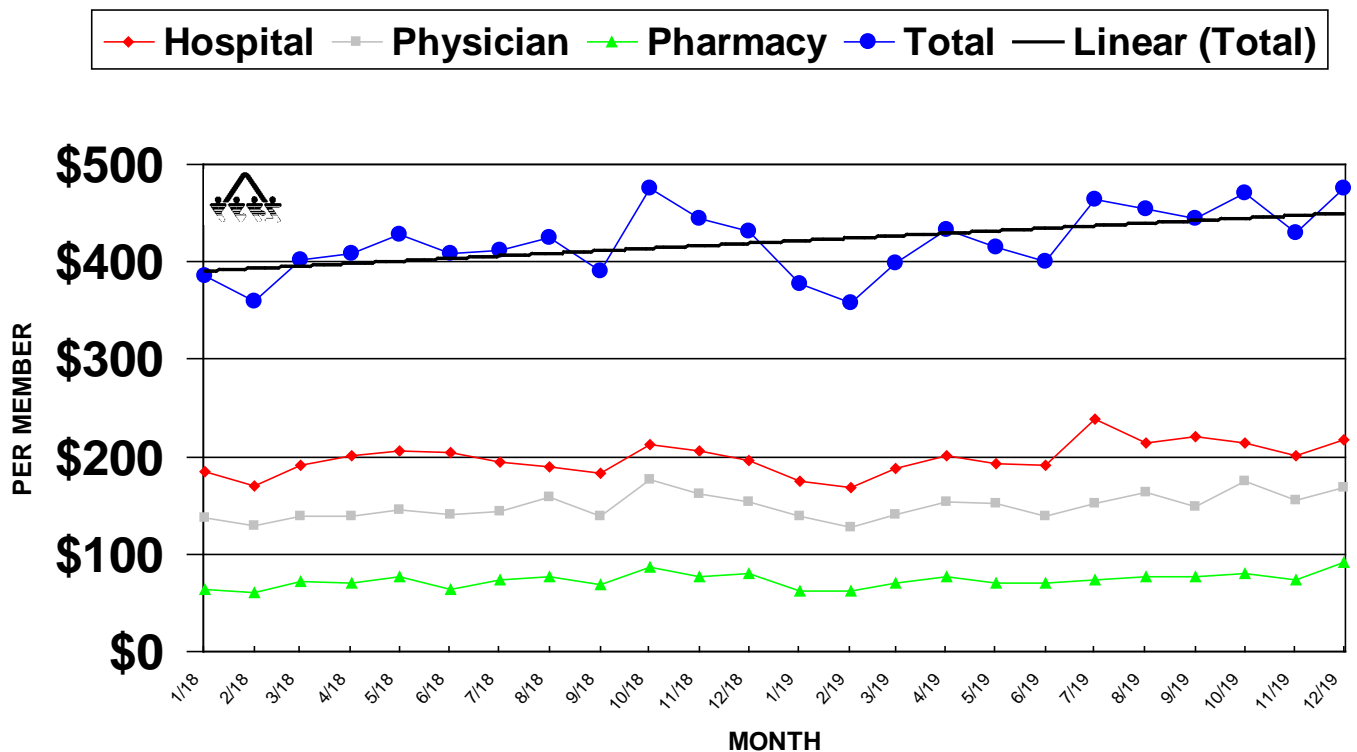


TOTAL NDPERS HEALTH PLAN

The graph below is for the total NDPERS health plan. It shows the average amount the NDPERS health plan paid per member per month (per capita). The graph depicts the latest two years of NDPERS data.

The active employees are at the \$610 per capita level. Their dependents cost the plan around \$405 per person per month. The retired membership's per capita costs are around \$275 per retiree and \$225 per dependent. As the graph below shows, overall, the NDPERS health plan is just over \$450 per person per month in medical paid claims. This is a slight increase from the \$425 in the 2018 report. In 2017, 2016 and 2015 reports the costs were at \$400. Costs were \$350 in 2014, \$325 in 2013, \$300 in 2012, \$299 in 2011, \$275 in 2010, \$250 in 2009, \$245 in 2008, \$225 in 2007, \$205 in 2006, \$200 in 2005, \$175 in 2004, \$160 in 2003 and \$140 in 2002. In addition to this, the NDPERS health plan currently pays \$30.50 per month per person in administration costs.

NDPERS HEALTH INSURANCE PLAN TOTAL MEMBERSHIP





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Public Employees Retirement System**
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Memorandum

TO: NDPERS Board

FROM: Scott

DATE: August 18, 2020

SUBJECT: SHP Contract Amendment

In the course of reviewing the current SHP contract, we discovered that when the attorneys re-wrote the agreement for the current biennium, they neglected to incorporate into the current agreement the deletion of the loss-sharing provisions that had been in the 2015-2017 agreement, but taken out of the 2017-2019 agreement. SHP has agreed that was an oversight in the drafting of the current agreement, and SHP and the Board's attorney are working to craft an amendment to the current agreement to remove the loss-sharing provision. We will need the Board to approve that amendment for Chairperson Rindy's signature.

Board Action: Approve the proposed amendment.

FOURTH AMENDMENT TO THE ADMINISTRATIVE SERVICES AGREEMENT

THIS FOURTH AMENDMENT TO ADMINISTRATIVE SERVICES AGREEMENT (the “Fourth Amendment”) is entered into as of the ____ day of _____, ____, by and between Sanford Health Plan (hereinafter “SHP”) and the State of North Dakota, acting through its Public Employees Retirement System (hereinafter the “Plan Sponsor”).

WHEREAS, the parties entered into that certain Administrative Services Agreement dated July 1, 2015 (the “Agreement”) relating to health insurance coverage for members eligible under 2019 North Dakota Century Code §§ 54-52-17.2, 54-52-05, 54-52.1-02, 54-52.1-03.1; and a contract authorized under 2019 North Dakota Century Code § 54-52.1-04; and

WHEREAS, in furtherance of the Agreement the same parties entered into an Amendment to the Agreement on June 30, 2015, a Second Amendment to the Agreement on June 30, 2017, and a Third Amendment to the Agreement on June 30, 2019; and

WHEREAS, the parties desire to further amend the Agreement by executing this Fourth Amendment.

NOW, THEREFORE, the parties agree as follows:

1. Section 7.3.10 of the Agreement is deleted in its entirety and replaced with the following:

10. If 1+2-3-4-5-6-7-8-9(-/+10) of 7.3 is positive, the lesser of 50% of this amount or \$1.5 million is retained by SHP. The remainder equals Refund paid to NDPERS.

2. Section 7.4.9 of the Agreement is deleted in its entirety and replaced with the following:

9. If 1+2-3-4-5-6-7-8(-/+9) of 7.4 is positive, the lesser of 50% of this amount or \$1.5 million is retained by SHP. The remainder equals Refund paid to NDPERS. If applicable, the final settlement amount will be net of initial settlement payments.

3. Except as modified by this Fourth Amendment, the terms and conditions of the Agreement shall remain in full force and effect.

[Signatures appear on the following page.]

IN WITNESS WHEREOF, this Fourth Amendment is executed as of the date set forth above.

Sanford Health Plan

**North Dakota Public Employees
Retirement System**

By _____
Its _____

By _____
Its _____



North Dakota
Public Employees Retirement System
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Memorandum

TO: NDPERS Board

FROM: MaryJo

DATE: August 18, 2020

SUBJECT: Default 457 Deferred Compensation Plan Election

During the 2019 annual enrollment an active choice enrollment option was added to the MSS application for the 457 deferred compensation plan based upon Board direction. The purpose was to incentivize members to enroll or increase their 457(b) Deferred Compensation contributions. This marketing approach was different than previous efforts in that it specifically called out members to actively make an election to “enjoy a comfortable financial lifestyle”. This was the first time NDPERS implemented the *active choice enrollment marketing approach*.

Recently NDPERS staff reviewed an article about retirement plan digital communications, which emphasized the increasing importance of being a “digital fiduciary” as a best practice. Digital communication is the means in which employers use website design features to encourage better retirement decision-making. This boosts engagement interactions, increases overall plan contributions, and helps employees achieve their goal of obtaining a secure financial future. In the long run, participants are more satisfied with their retirement outcomes. ([Article from Plan Sponsor “Attention to Retirement Plan Digital Communications Increasingly Important”](#))

The article mentions allowing participants digital one-click solutions to enroll in the plan, for example, but not cash out. It also states that incorporating a company match calculator encourages increasing the default contribution amount. After review, NDPERS staff discussed options for incorporating some of these features into the NDPERS 457 plan enrollment processes to promote increased contributions from participants.

One of those features is to increase the default contribution amount – the article states that increasing the default savings rate can help increase deferments without reducing enrollment numbers. Currently, the minimum contribution of \$25 is stated in NDCC 54-52-

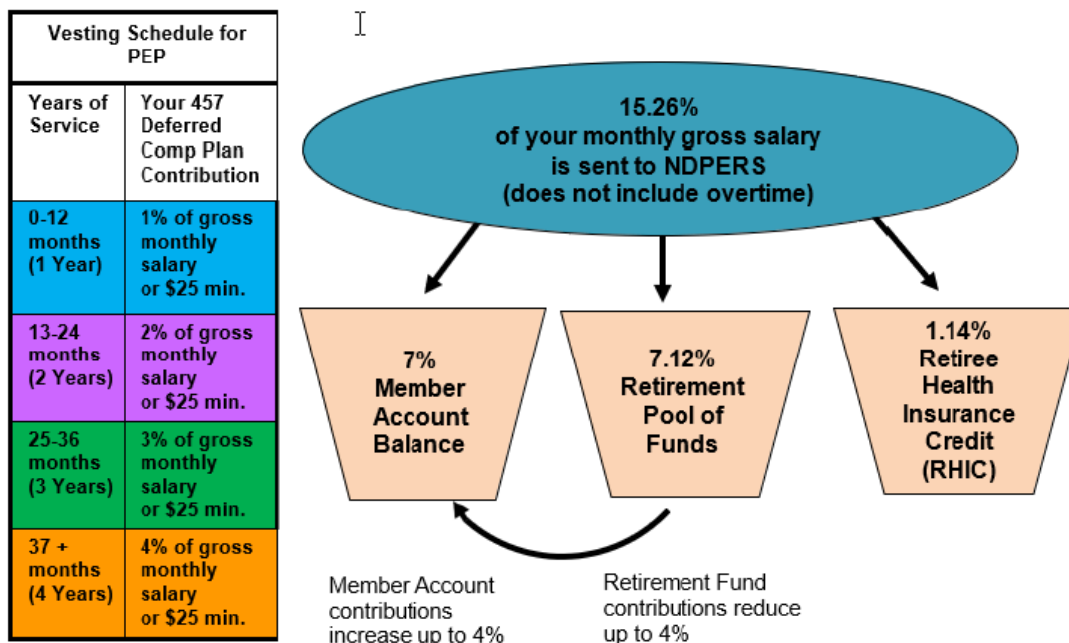
11.1 under vesting of employer contributions for PEP purposes. However, in light of the above article, staff proposes increasing the default contribution for both new enrollees and those doing the minimum amount to \$50 rather than the current \$25 per month. This actively engages participants to consider how much they can contribute while still allowing them to choose a lower contribution amount. However, given that it is in statute, the \$25 amount would remain an option the member can select as the minimum contribution required for participation.

In addition to the higher default contribution selection, NDPERS would like to include on this webpage a vesting calculator. This would calculate the member's eligible vested employer contribution amount based upon years of service in the retirement plan at NDPERS and highest eligible percentage to maximize savings. The calculator would allow the participant to enter a monthly estimated gross salary so that the maximum vesting amount the member would be eligible for by participating in deferred compensation could be calculated.

The PEP Vesting Schedule is shown in the diagram below.

For Members First Enrolled Prior to January 1, 2020

The following illustrates your monthly NDPERS Defined Benefit Hybrid Plan retirement contributions and the Portability Enhancement Provision (PEP)



Board Action: Approve or deny the 457 plan default contribution amount selection and PEP vesting calculator to be incorporated into the 457 deferred compensation plan enrollment processes. Staff will research if these features will be able to be incorporated in the upcoming 2021 annual enrollment or the 2022 annual enrollment.



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Memorandum

TO: NDPERS Board

FROM: Scott

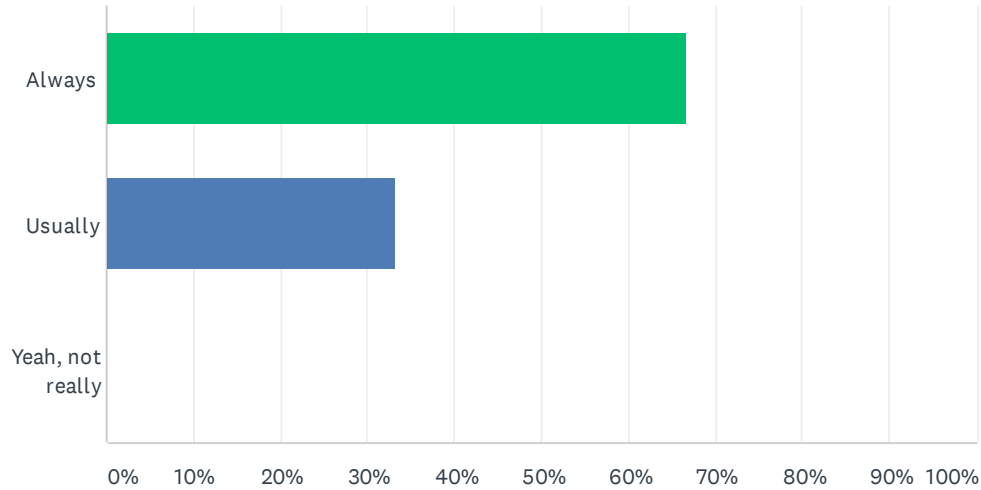
DATE: August 18, 2020

SUBJECT: Board Self-Evaluation

Attached are the results of the Board's first Self-Evaluation. We will go over the results together at the meeting. Please remember the purpose of this is to reflect on how each of you fulfills your own responsibility, and evaluate yourself to see if there are ways you as an individual and the Board as a whole can become better trustees.

Q1 I understand the authority that has been retained by the NDPERS Board and what duties have been delegated to staff.

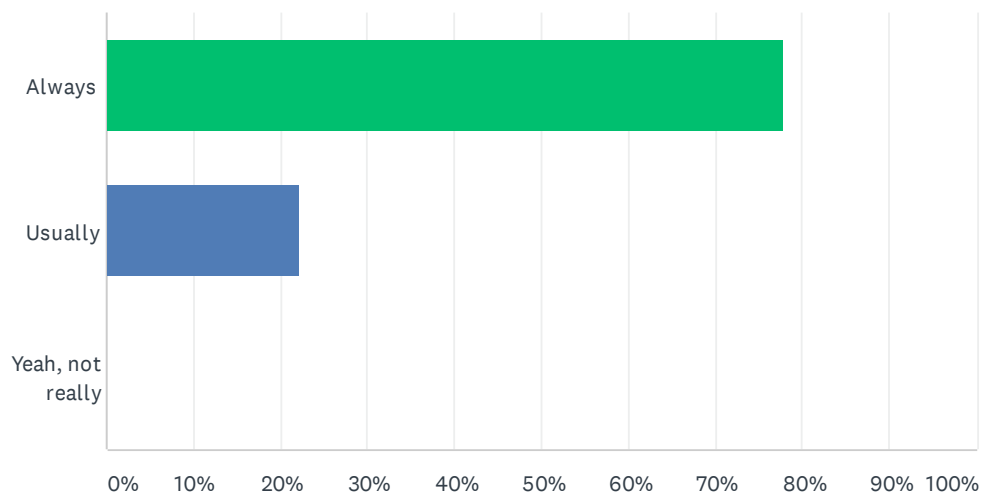
Answered: 9 Skipped: 0



ANSWER CHOICES		RESPONSES	
Always		66.67%	6
Usually		33.33%	3
Yeah, not really		0.00%	0
TOTAL			9

Q2 I work with other Board members and staff in a fair, respectful and professional manner.

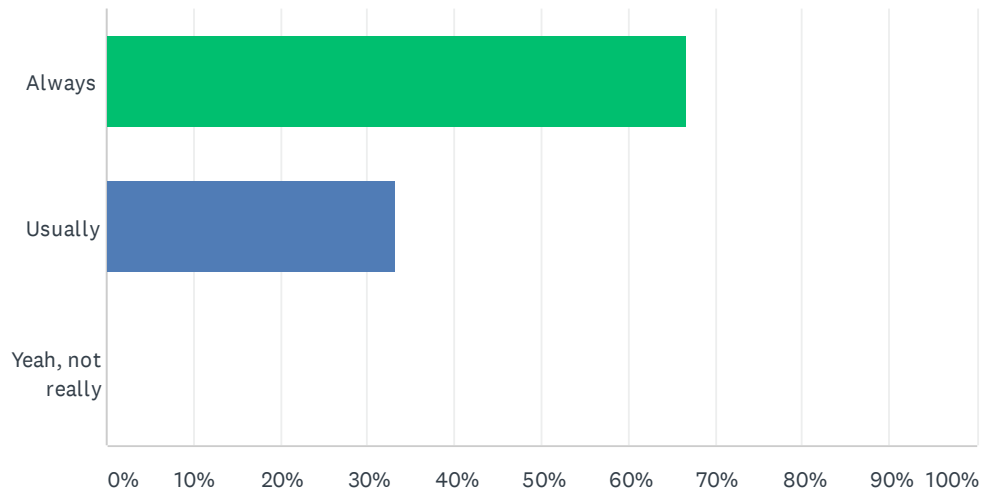
Answered: 9 Skipped: 0



ANSWER CHOICES	RESPONSES	
Always	77.78%	7
Usually	22.22%	2
Yeah, not really	0.00%	0
TOTAL		9

Q3 I actively engage in Board meetings by contributing to the discussions in a meaningful and appropriate way and listening to others.

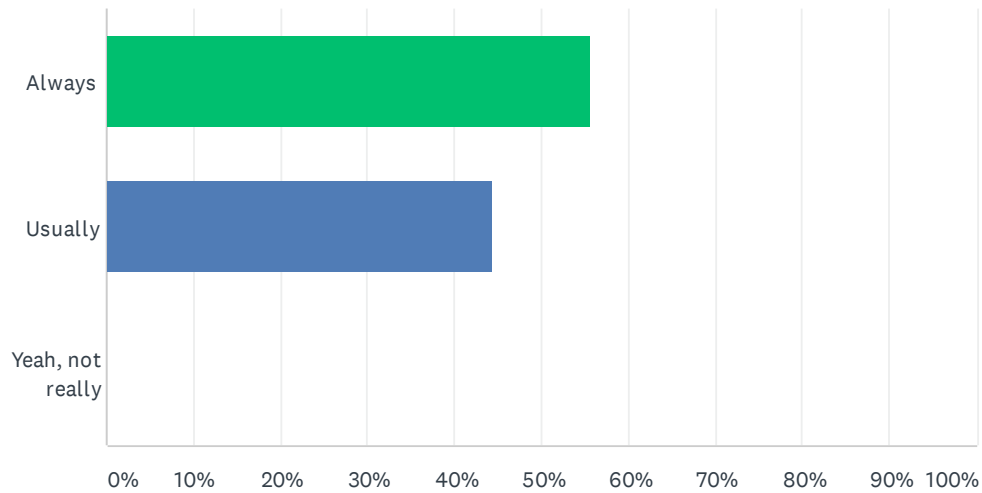
Answered: 9 Skipped: 0



ANSWER CHOICES		RESPONSES	
Always		66.67%	6
Usually		33.33%	3
Yeah, not really		0.00%	0
TOTAL			9

Q4 I make an effort to become educated on any NDPERS program(s) that I do not understand.

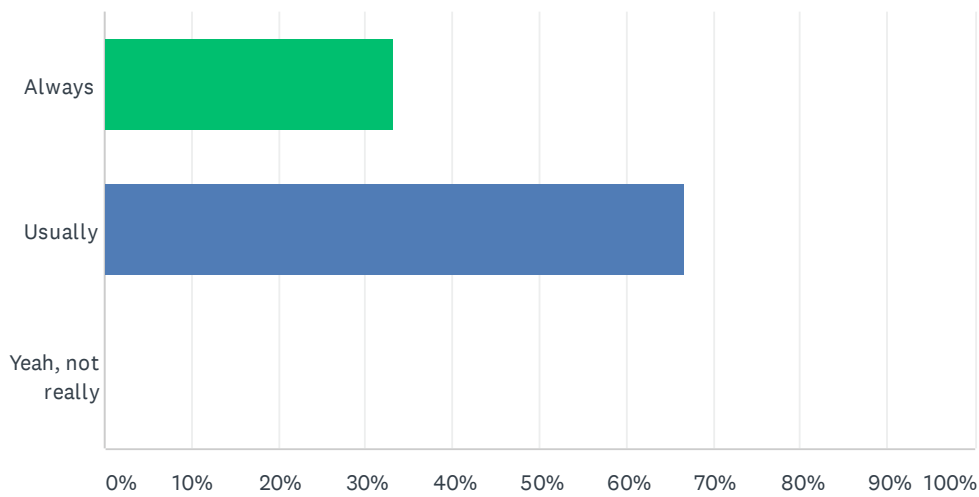
Answered: 9 Skipped: 0



ANSWER CHOICES		RESPONSES	
Always		55.56%	5
Usually		44.44%	4
Yeah, not really		0.00%	0
TOTAL			9

Q5 I am comfortable with the amount of time I devote as a Board member.

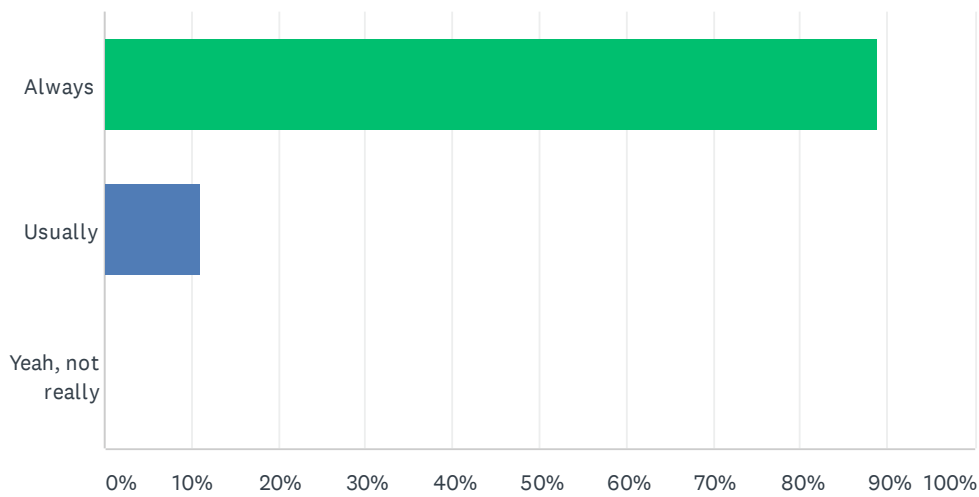
Answered: 9 Skipped: 0



ANSWER CHOICES	RESPONSES	
Always	33.33%	3
Usually	66.67%	6
Yeah, not really	0.00%	0
TOTAL		9

Q6 I attend the Board and Committee meetings I am expected to attend.

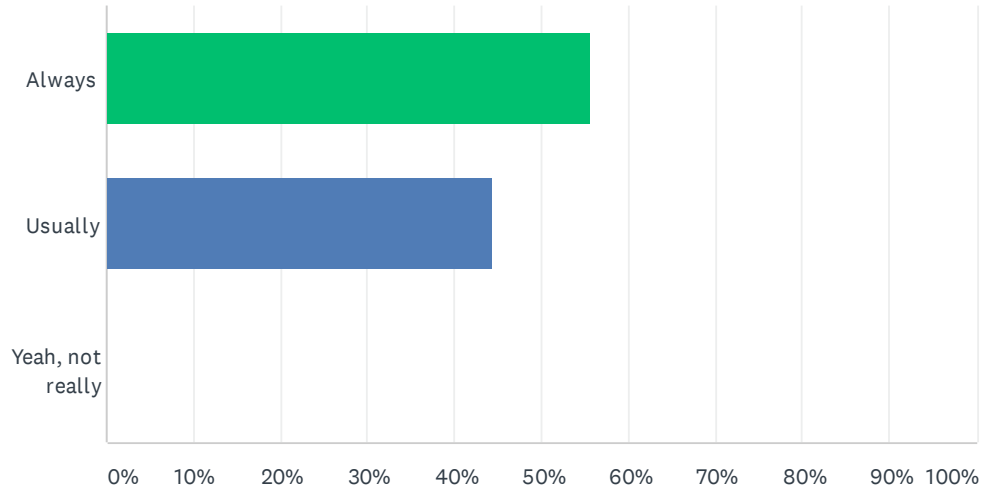
Answered: 9 Skipped: 0



ANSWER CHOICES	RESPONSES	
Always	88.89%	8
Usually	11.11%	1
Yeah, not really	0.00%	0
TOTAL		9

Q7 I am prepared for Board meetings by reading and considering the information in advance.

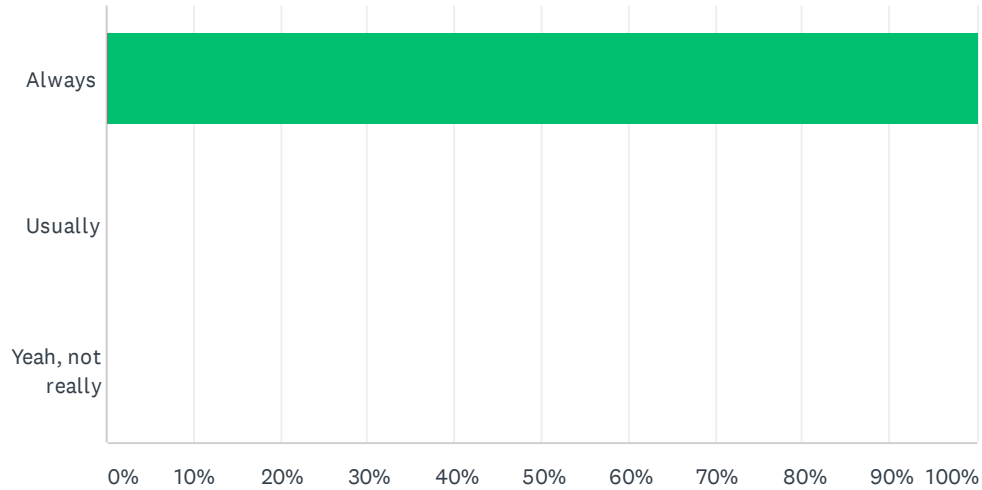
Answered: 9 Skipped: 0



ANSWER CHOICES		RESPONSES	
Always		55.56%	5
Usually		44.44%	4
Yeah, not really		0.00%	0
TOTAL			9

Q8 I understand the NDPERS Board's Code of Conduct requirements, abide by them, and avoid conflicts of interest.

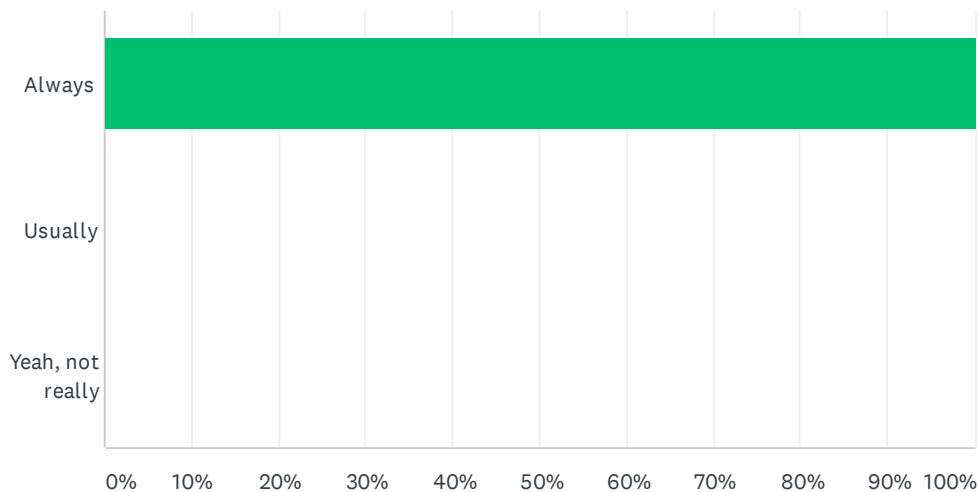
Answered: 9 Skipped: 0



ANSWER CHOICES	RESPONSES	
Always	100.00%	9
Usually	0.00%	0
Yeah, not really	0.00%	0
TOTAL		9

Q9 I understand the legal duties and responsibilities required of me as a fiduciary, and act for the exclusive benefit of our members and beneficiaries.

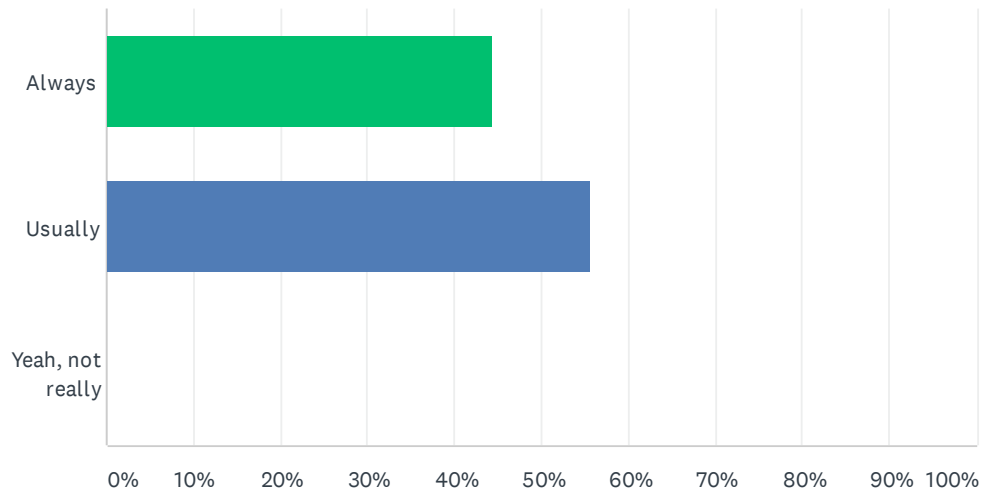
Answered: 9 Skipped: 0



ANSWER CHOICES	RESPONSES	
Always	100.00%	9
Usually	0.00%	0
Yeah, not really	0.00%	0
TOTAL		9

Q10 I sufficiently understand all financial reports and seek clarification when necessary.

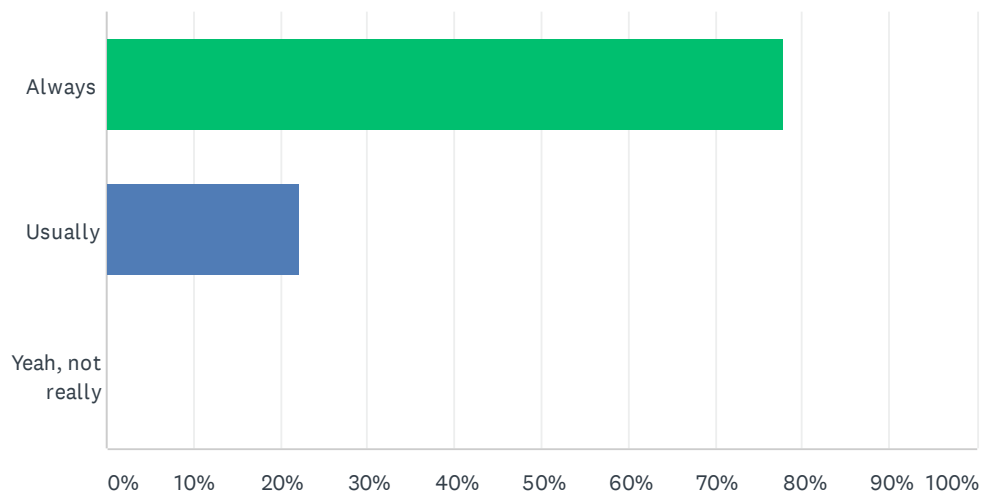
Answered: 9 Skipped: 0



ANSWER CHOICES		RESPONSES	
Always		44.44%	4
Usually		55.56%	5
Yeah, not really		0.00%	0
TOTAL			9

Q11 I find my participation on the Board to be stimulating and rewarding.

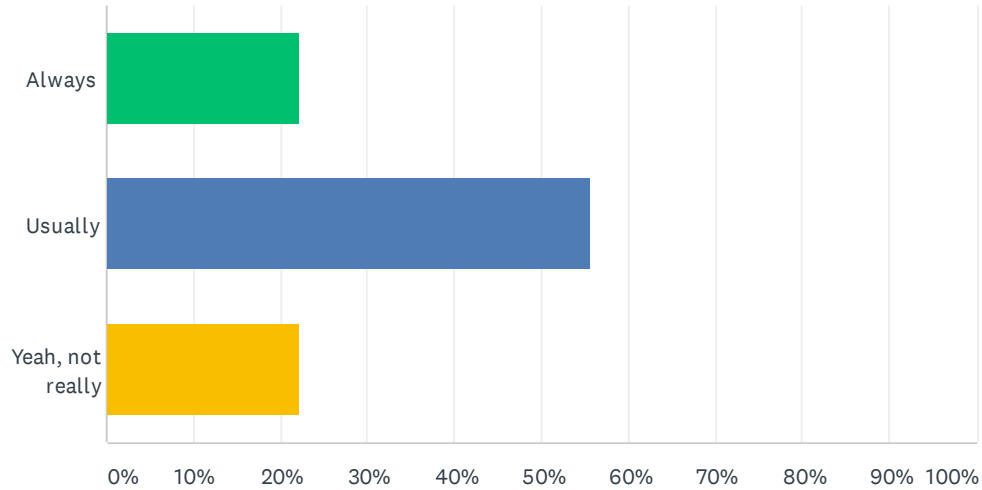
Answered: 9 Skipped: 0



ANSWER CHOICES	RESPONSES	
Always	77.78%	7
Usually	22.22%	2
Yeah, not really	0.00%	0
TOTAL		9

Q12 Board members are consistently prepared for meetings and remain engaged.

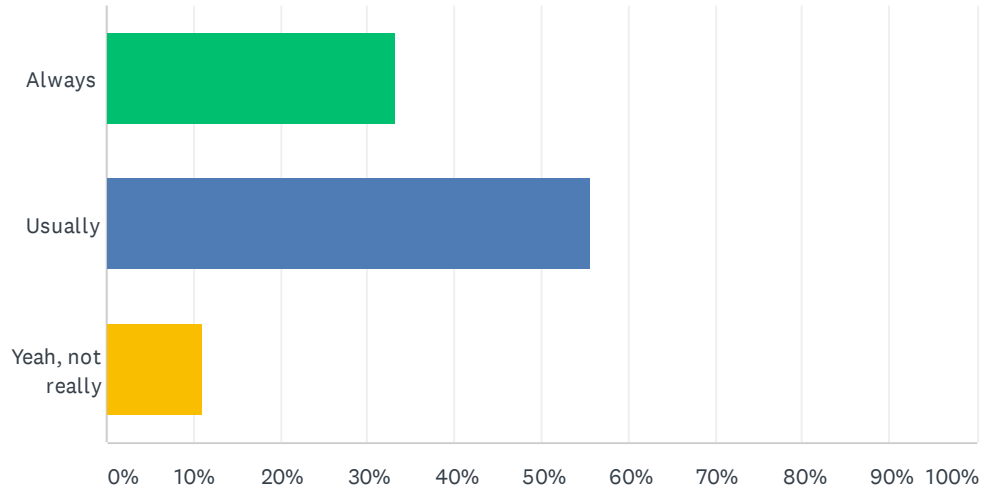
Answered: 9 Skipped: 0



ANSWER CHOICES	RESPONSES	
Always	22.22%	2
Usually	55.56%	5
Yeah, not really	22.22%	2
TOTAL		9

Q13 The Board is engaged and has healthy discussions on a topic before making a well-informed decision.

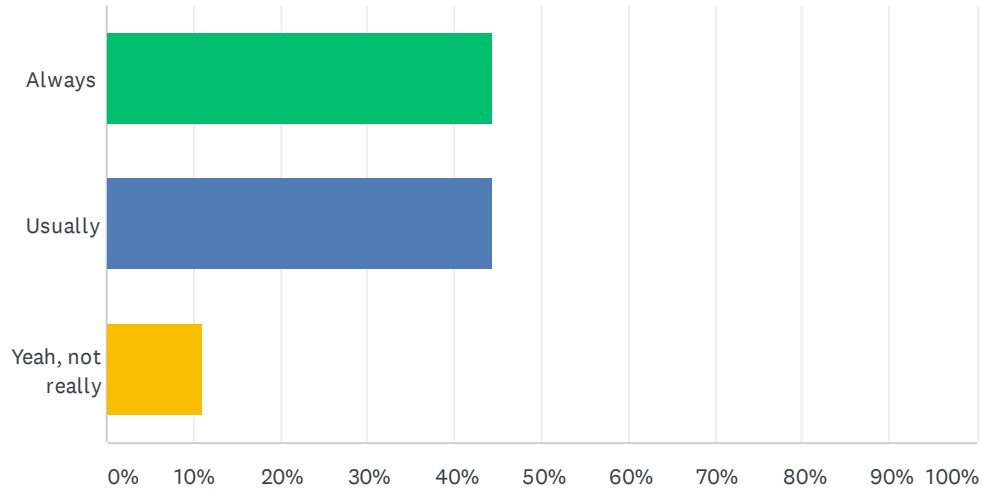
Answered: 9 Skipped: 0



ANSWER CHOICES		RESPONSES	
Always		33.33%	3
Usually		55.56%	5
Yeah, not really		11.11%	1
TOTAL			9

Q14 The Board recognizes the authority it has retained and what has been delegated to staff.

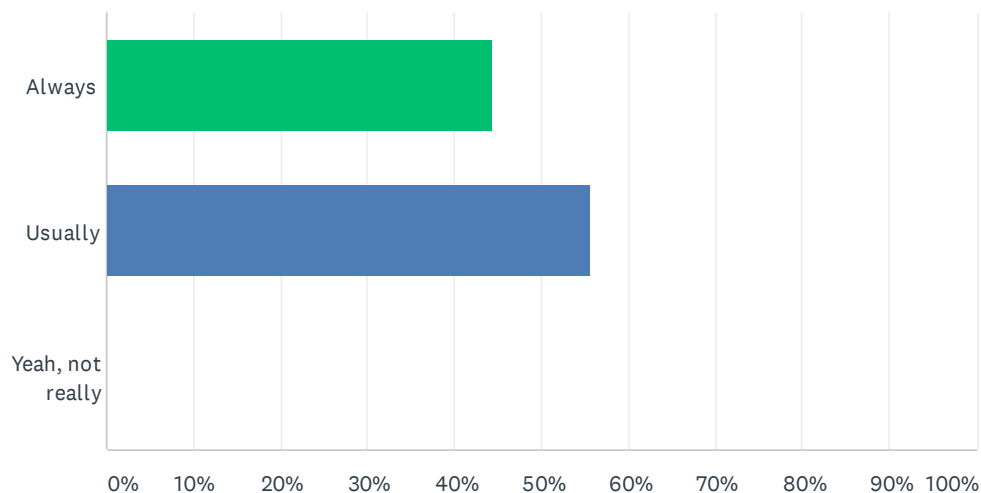
Answered: 9 Skipped: 0



ANSWER CHOICES		RESPONSES	
Always		44.44%	4
Usually		44.44%	4
Yeah, not really		11.11%	1
TOTAL			9

Q15 The Board is informed of issues and prepared to deal with acute situations.

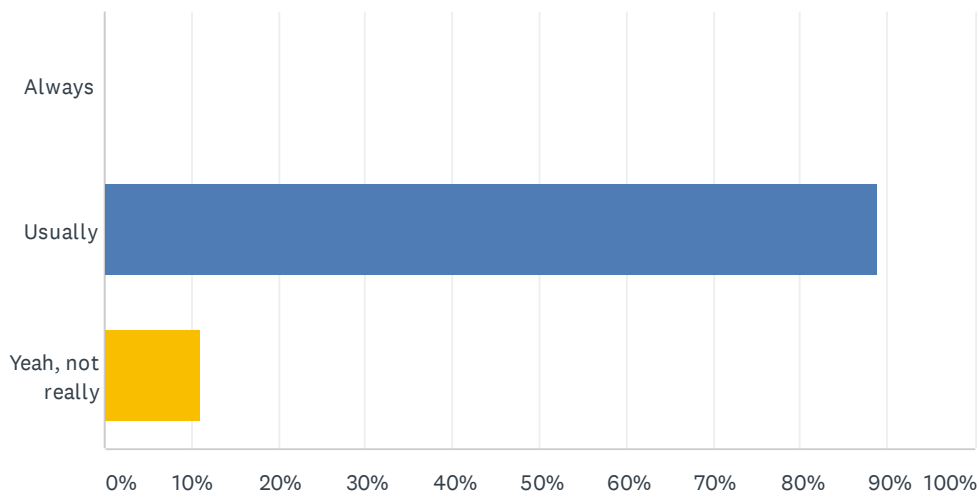
Answered: 9 Skipped: 0



ANSWER CHOICES	RESPONSES	
Always	44.44%	4
Usually	55.56%	5
Yeah, not really	0.00%	0
TOTAL		9

Q16 All Board members regularly attend Board and Committee meetings.

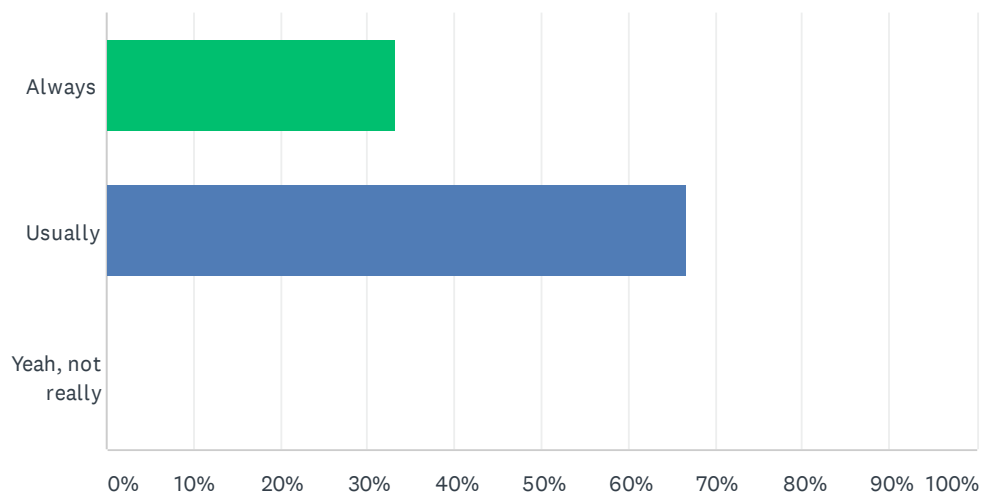
Answered: 9 Skipped: 0



ANSWER CHOICES	RESPONSES	
Always	0.00%	0
Usually	88.89%	8
Yeah, not really	11.11%	1
TOTAL		9

Q17 Board meetings are generally well-run and make good use of members' time.

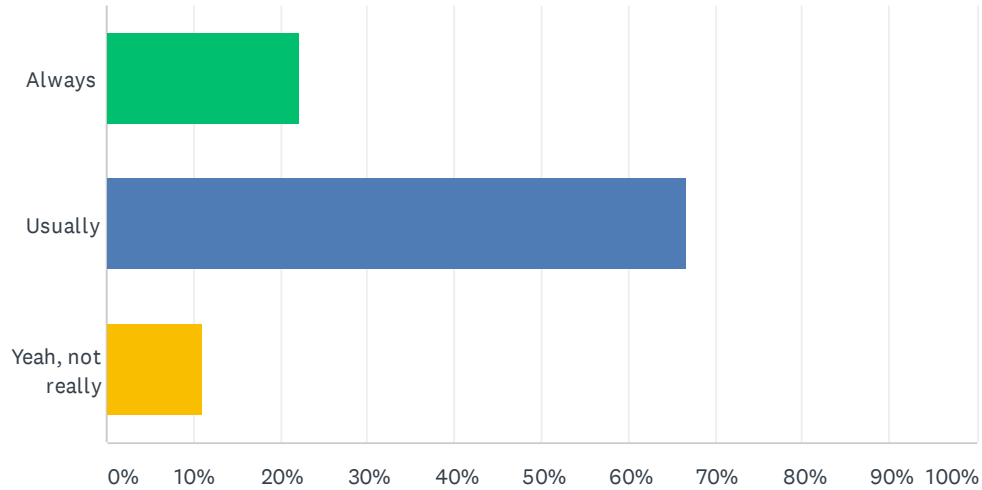
Answered: 9 Skipped: 0



ANSWER CHOICES		RESPONSES	
Always		33.33%	3
Usually		66.67%	6
Yeah, not really		0.00%	0
TOTAL			9

Q18 Board meetings have the right allocation of time between Board discussions and presentations.

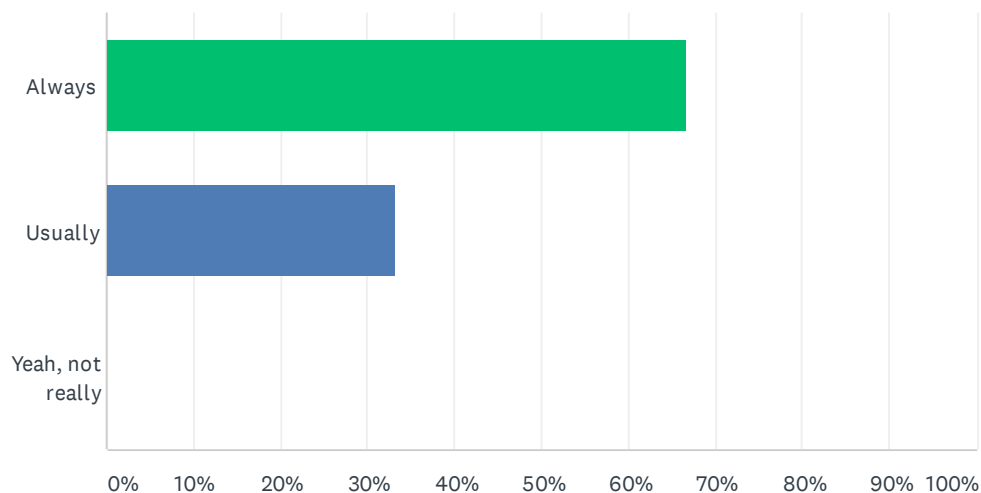
Answered: 9 Skipped: 0



ANSWER CHOICES		RESPONSES	
Always		22.22%	2
Usually		66.67%	6
Yeah, not really		11.11%	1
TOTAL			9

Q19 The Board receives useful information upon which it make its decisions.

Answered: 9 Skipped: 0



ANSWER CHOICES		RESPONSES	
Always		66.67%	6
Usually		33.33%	3
Yeah, not really		0.00%	0
TOTAL			9

Q20 Are there any critical issues that you feel the Board should address?

Answered: 4 Skipped: 5

#	RESPONSES	DATE
1	Our most critical issue is moving the retirement plan more quickly in the direction of being fully funded.	7/29/2020 1:00 PM
2	I wish more board members would speak up and ask questions or make comments more frequently. Not sure all are fully engaged.	7/27/2020 3:46 PM
3	My greatest concern with the Board is that sometimes there are board members who are clearly struggling with wearing two hats and understanding the Duty of Loyalty, which becomes a legal issue for the entire board. I appreciate the timely reminders from Scott about our fiduciary responsibility.	7/27/2020 8:12 AM
4	I am not aware of any critical issues that the Board needs to address in the near future.	7/17/2020 10:03 AM

Q21 Are there any areas in the Board self-evaluation that you would like to see addressed in the future?

Answered: 2 Skipped: 7

#	RESPONSES	DATE
1	Better engagement from the board members.	7/27/2020 3:46 PM
2	I would like to reflect on this question for a while and will reach out to whomever will be putting this survey together in the future with some additional thoughtful responses. None at this time.	7/17/2020 10:03 AM

Q22 Do you have any other comments or thoughts you would like to offer?

Answered: 4 Skipped: 5

#	RESPONSES	DATE
1	I find my involvement as a board member very engaging, and I appreciate the opportunity to serve.	7/29/2020 1:00 PM
2	I really like the various PERS staff members at the board meetings to present, answer questions, or just observe.	7/27/2020 3:46 PM
3	Great format and targeted questions for Board self-eval. Nice job!	7/27/2020 8:12 AM
4	Just entering the 3rd Quarter of 2020. To say it has been an unusual year would be an understatement. In ordinary times any kind of uncertainty makes planning and 'good' decision making challenging. I expect the 2nd half of 2020 to be as challenging as the 1st half.	7/17/2020 10:03 AM



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Memorandum

TO: NDPERS Board

FROM: Scott Miller

DATE: August 18, 2020

SUBJECT: Code of Ethical Responsibility

The Board approved the attached Code of Ethical Responsibility at the February 12, 2019 meeting. 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



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

TO: NDPERS Board

FROM: Scott

DATE: August 18, 2020

SUBJECT: Contracts under \$10,000

Attached is a document that shows the contracts under \$10,000 that I have recently signed. Please let me know if you have any questions on any of those contracts.

This topic is informational only.

Vendor	Amount	Frequency Incurred
Westlaw (PeopleMap)	\$ 170.00	Monthly
PreSort Plus Contract	\$ 27.55	Daily
MABU Website Maintenance	\$ 9,999.00	Hourly as incurred, not to exceed
Brighthouse	\$ 374.25	Quarterly
Quadient	\$ 625.00	Quarterly
Fireside	\$ 185.55	Monthly
Advanced Business Methods		
Scanner Lease	\$ 118.12	Monthly
Copier Lease	\$ 371.95	
RecordKeepers	\$ 16.00	Weekly