



**NORTH DAKOTA
PUBLIC EMPLOYEES
RETIREMENT SYSTEM**

Board Meeting Agenda

Location: NDPERS Conference Room, 1600 East Century Avenue, Bismarck ND
By phone: 701.328.0950 Conference ID: 618 133 974#
Date: **Tuesday, January 10, 2023**
Time: 10:30 A.M.

I. MINUTES

- A. December 13, 2022

II. PRESENTATIONS

- A. Operating Guidelines – Scott (Information)

III. RETIREMENT

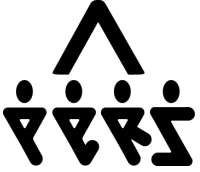
- A. Main PERS Plan Employer Contribution – Scott (Board Action)
- B. Required Minimum Distribution Age – Scott (Board Action)

IV. GROUP INSURANCE

- A. Vision Plan Request for Proposal (RFP) – Kathyne (Board Action)
- B. Life Plan Request for Proposal (RFP) – Kathyne (Board Action)
- C. Sanford Health Plan Administrative Services Agreement – Rebecca (Board Action)

V. MISCELLANEOUS

- A. Quarterly Consultant Fees – Derrick (Information)
- B. Annual Comprehensive Financial Report – Derrick (Information)
- C. Operations Update – Derrick (Information)
- D. Contracts Under \$10,000 – Scott (Information)
- E. Legislative Relations – Scott (Board Action)



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

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

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

Memorandum

TO: NDPERS Board

FROM: Scott

DATE: January 10, 2023

SUBJECT: Operating Guidelines

Attached to this memo is the latest version of the Operating Guidelines, approved by the Board in November of 2020. The Operating Guidelines provide governance responsibilities divided between the Board and the Executive Director. As such, it shows what responsibilities the Board has retained, and those that it has delegated to the Executive Director. The purpose of this presentation is not to propose modifications to those guidelines, but to remind the Board and staff what that division of responsibilities looks like. If you recall, there were some folks who stated in their Board Evaluation documents that they were not sure of that division.

This is informational only.

NDPERS Operating Guidelines

GENERAL

	Board	Executive Director
Rules	Must approve all rules	Proposes, drafts and implements
Benefit Structure	Must approve all program design features not set by statute	Proposes and drafts changes; implements
Legislation	Must approve NDPERS sponsored bills. Provide direction on non-NDPERS sponsored bills	Proposes; drafts and represents Board's position
Plan Documents	Must approve 457 and 401(a) plan documents, and the flex plan document.	Proposes; drafts, and implements
Summary Plan Descriptions/COI	Approve health insurance COI	Receive and review from carrier for all insurance plans
Member Booklets, Newsletters, Retirement Handbook and Other Member Material		Draft, Approve, Update

FINANCE

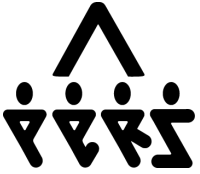
	Board	Executive Director
Emergency Commission (i.e. line item transfers or transfers from contingency)	Approves	Proposes
Budget Preparation and Submittal to OMB	Approves	Proposes and represents agency before Legislature and OMB
Budgeted Expenses		Approves as long as expenses do not exceed the approved budget. Must report the status of the budget semi-annually at the Board meeting. Director must assure the rate of expenditures for salaries and operating is consistent with Section 54-27-10 NDCC. Arrangements for office space must be reviewed by the Board before committing the Agency.
Consulting Service Contracts		
• On Budget		Approves (i.e. temp services, EAP, Printing, Etc.)
• Off Budget	Approves all contracts over \$10,000. Contract process will follow NDPERS Contract	Approves if under \$10,000; must report all contracts to the Board at the earliest opportunity. Contract process will follow NDPERS Contract Procurement Policy.

	Board	Executive Director
Contracts with Political Subs	Procurement Policy. Approves standard agreement	Approves as long as consistent with standard agreement
<ul style="list-style-type: none"> • Retirement • Health • Life • Deferred Compensation 		
Uniform Group Insurance Contract	Approves and must be signed by Chairman (54-52.1-05 NDCC)	Recommends
PPO Contracts	Approves guidelines and standard agreement	Negotiates and approves if consistent with guidelines and the arrangement is equal to, or more stringent than, a standard agreement; must advise Board of status and terms.
Travel	Approves all out of state Board travel; the Chairman will review for approval any requests for Board travel that occurs prior to the reconvening of the full Board. Approves all staff travel outside the continental United States or travel offered by an outside vendor	Approves all staff travel (including the Executive Director's) within the continental United States and in-state Board travel

PERSONNEL

	Board	Executive Director
Personnel Policies	Approves	Recommends and implements
New FTE Positions	Approves	Recommends
Hiring	Responsible for Executive Director	Responsible for filling authorized FTE and temporary assistance pursuant to OMB guidelines and available funds.
Firing	Responsible for Executive Director	Approves
Overtime Authorization & Severance Pay	Approves severance pay, subject to Section 54-14-04.3 NDCC	Approves overtime subject to available funds
Leave of Absence	Approves for Executive	Approves for staff

Job Evaluations	Director Responsible for Executive Director. Audit committee is responsible for the Chief Audit Officer Evaluation	Approves staff evaluations; advises Board annually of increases
Reclassifications		Approves; must advise Board of any major changes
Salary Increases	Approves for Executive Director	Approves, subject to available funds and OMB guidelines
Promotions		Approves, subject to OMB Human Resources guidelines
Educational Reimbursement	Approves for Executive Director	Approves for staff



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

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

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

Memorandum

TO: NDPERS Board

FROM: Scott

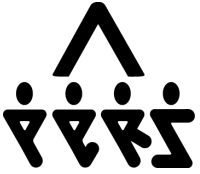
DATE: January 10, 2023

SUBJECT: Main PERS Plan Employer Contribution

If passed, HB 1039, HB 1040, and Representative Kasper's bill (as yet not assigned a number) all require the NDPERS Board to "publish the contribution rate required" under section 11 of the bills by November 15 of each even-numbered year, based on the actuarial valuation from July 1 of that year. Since all of the bills would be effective prior to the next Legislative Assembly, this Legislative Assembly will need to give each state agency an appropriation that is estimated to pay for that contribution. That will require the Board to provide the required contribution rate for each of the bills based on the 7/1/22 valuation.

I have asked GRS to provide us with those contribution rates for each of the bills. As of the time we sent out the Board book, we knew the state contribution rate under HB 1040: 48.16% (an increase of 39.9%). The contribution for political subdivisions under HB 1040 is 1% higher than current, or 8.12% (plus another 1.14% for new employees) I hope to have the contribution rates for the other two bills before the Board meeting.

Board Action Requested: Approve the contribution rates for each of the bills.



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

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

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

Memorandum

TO: NDPERS Board

FROM: Scott

DATE: January 10, 2023

SUBJECT: Required Minimum Distribution Age

Congress passed the SECURE Act 2.0 in December, which made several changes applicable to our retirement plans. One of those changes was to increase the age at which Required Minimum Distributions (“RMDs”) must begin. If you recall, the first SECURE Act moved the age from 70 ½ to age 72, which we modified in state law in our technical corrections bill in 2021. SECURE 2.0 moves it up to 73 effective January 1, 2023, and 75 effective January 1, 2033.

NDCC section 54-52-28 requires us to follow section 401(a)(9) of the Internal Revenue Code (IRC), which provides for the RMD ages. Since this is a qualification issue, it is imperative that we comply with those requirements. However, I do not know that we need to submit a late bill for this session and make these changes this year. Section 54-52-28 states we are to follow those IRC provisions “as amended”. Further, SECURE 2.0 allows governmental plans to delay making plan document changes up until the last day of the first plan year beginning on or after January 1, 2027:

Section 501, Provisions relating to plan amendments. Section 501 allows plan amendments made pursuant to this Act to be made on or before the last day of the first plan year beginning on or after January 1, 2025 (2027 in the case of governmental plans) as long as the plan operates in accordance with such amendments as of the effective date of a bill requirement or amendment.

As such, submitting a technical corrections bill to the 2025 Legislative Assembly with an August 1, 2025 effective date appears to be permissible, as long as we are administering the plan appropriately.

Board Action: Determine whether to submit a bill to the 2023 or 2025 Legislature.



Memorandum

TO: NDPERS Board

FROM: Katheryne Korom

DATE: January 10, 2023

SUBJECT: Group Voluntary Vision Benefits Plan Request for Proposal (RFP)

We have included for your review a draft copy of the Group Voluntary Vision Benefits Plan RFP provided by Buck Consultants. It has been reviewed by staff and our changes are included in the document. Proposers are required to submit a bid to provide services for eligible active and retired employees and their dependents.

Following are the key dates for the proposal process:

Date	Activity
February 1, 2023	RFP is issued.
February 24, 2023	Written questions regarding proposals must be received by NDPERS no later than 5:00 p.m. (CDT).
March 10, 2023	NDPERS posts responses to all questions received.
March 31, 2023	Proposals must be received by NDPERS no later than 5:00 p.m. (CDT).
May 2023	NDPERS Board review of proposals.
June 2023	Finalist interviews and Best and Final Offers due, if deemed necessary by the NDPERS Board
End of August 2023	Selection and award of contract by NDPERS.

Buck Consultants will analyze the proposals and narrow them down to 3 or 4 for NDPERS to review.

If you have any questions, additions or changes to the Group Voluntary Vision Benefits Plan RFP, we will be available at the NDPERS Board Meeting.

Board Action Requested

Approve the Group Voluntary Vision Benefits Plan RFP and timeline for the proposal process.



North Dakota Public Employees Retirement System

Request for Proposal

Project Name:

Group Voluntary Vision Benefits Plan

**Claims Administration, Customer Service, Provider Network,
and Network Management Services, Related Administrative
Services**

RFP Issue Date: February 1, 2023

Proposal Due Date: March 31, 2023

Proposed Effective Date: January 1, 2024

1600 East Century Avenue, Suite 2
PO Box 1657
Bismarck, ND 58502-1657
1-800-803-PERS (7377) www.ndpers.nd.gov

TABLE OF CONTENTS

I. INTRODUCTION

1. Objectives of the Request for Proposal	5
2. Definitions.....	5
3. Background	7
4. Key Dates in the Proposal Process	7
5. Current Enrollment and Demographics	8
6. General Information on Voluntary Vision Plan	9
6.1. Benefit Plans	9
6.2. General.....	9

II. ELIGIBILITY AND SELECTION CRITERIA

1. Minimum Requirements.....	10
2. Selection Criteria	10

III. GENERAL INFORMATION

1. Non-Disclosure Agreement (NDA).....	11
2. Inquiries Regarding Specifications	12
3. Rules and Regulations.....	12
4. Confidentiality of Trade Secret, Proprietary, Commercial, and Financial Information (NDCC Section 44-04-18.4(6))	12
5. Addenda, Amendments, and Clarifications to the RFP.....	13
6. Order of Responses	13
7. Submission of Proposals	13
8. Acceptance of Proposals	15
9. Non-Responsive Proposals	15
10. References	15
11. Member Identification	15
12. Compliance with HIPAA.....	16
13. Certification.....	16
14. Waiver	16
15. Additional Information from Responding Organizations.....	16
16. Modification	16
17. Solicitation	16
18. News Release	17
19. Change Required by Statute, Regulation, Court Order, or Program Appropriations	17
20. Financial Background	17

IV. CONTRACT REQUIREMENTS

1. Introduction..... 18
2. Term of the Contract..... 18
3. Failure to Comply 19
4. Compliance with ERISA..... 19
5. Taxpayer ID Number 19
6. Authorized Signatures 19
7. Prohibited Interest 19
8. Required Contract Provisions 19

V. DESCRIPTION OF SERVICES CURRENTLY PROVIDED

1. Claim Adjudication and Member Services 20
2. Network Management..... 21
3. Eligibility / Participant Premium Billing Services 21
4. COBRA Administration 21
5. Issuance of ID Cards 21
6. Reporting 21
7. Summary Plan Description 21
8. Functional Relationships..... 22
9. Applicable Law..... 22

VI. FORMAT OF PROPOSAL

1. Cover Letter 23
2. Table of Contents 23
3. Attachment A: Technical Proposal..... 23
 3.1. Attachment A-1: Minimum Requirements 24
 3.2. Attachment A-2: Plan Information 24
 3.3. Attachment A-3: Vision Plan Design 24
 3.4. Attachment A-4: Administrative Requirements 24
 3.5. Attachment A-5: General Questionnaire 25
 3.6. Attachment A-6: Network Questionnaire..... 25
 3.7. Attachment A-7: Subcontractor Questionnaire..... 25
 3.8. Attachment A-8: Access to Vision Care Providers (Non-Retail-Chain Providers) 25
 3.9. Attachment A-9: Access to Retail-Chain Providers..... 26
 3.10. Attachment A-10: Disruption based on Paid Vision Care Provider Claims (Non-Retail-Chain Providers)..... 27
 3.11. Attachment A-11: Disruption based on Paid Retail-Chain Provider Claims 28
 3.12. Attachment A-12: Performance Guarantees 28
 3.13. Attachment A-13: Deviations 28
 3.14. Attachment A-14: Signature Page 28
 3.15. Attachment A-15: Completed Appendices 29
 3.16. Attachment A-16: Response Attachments 29

4.	Attachment B: Financial Proposal.....	29
4.1.	Attachment B-1: Financial Requirements.....	30
4.2.	Attachment B-2: Financial Proposal.....	30
4.3.	Attachment B-3: Premium Breakdown.....	30
4.4.	Attachment B-4: Network Composition.....	30
4.5.	Attachment B-5: Provider Network.....	31
4.6.	Attachment B-6: Deviations.....	31
4.7.	Attachment B-7: Signature Page.....	31
4.8.	Response Attachments.....	31

APPENDICES

Appendix A – Agreements.....	33
Appendix B – Non-Disclosure Agreement.....	49
Appendix C – Confidential/Proprietary Information.....	52
Appendix D – Confidential Documents.....	53

I. INTRODUCTION

1. Objectives of the Request for Proposal

The objective of this Request for Proposal (RFP) is to solicit fully-insured proposals for services related to claim administration, customer service, access to a provider network(s) (as appropriate), and associated network management services for the North Dakota Public Employees Retirement System (NDPERS) group voluntary vision benefits plan. The account services to be provided under any resulting contract shall commence on January 1, 2024.

2. Definitions

For purposes of this RFP, the following abbreviations or terms have the meanings indicated below:

- A. **“Contractor”** – The Insurer selected pursuant to this RFP will be referred to as this.

- B. **“Eligible Dependent”** includes:
 - (1) The Spouse of the Subscriber;
 - (2) A Dependent child who is related to the Subscriber as a natural child, a child placed for adoption, a legally adopted child, a child for whom the Subscriber has legal guardianship, a stepchild, or a foster child; and is one of the following:
 - a) Under the age of twenty-six (26),
 - b) Incapable of self-sustaining employment by reason of a disabling condition and chiefly dependent upon the Certificate holder/Subscriber for support and maintenance. If the Plan so requests, the Subscriber must provide proof of the child’s disability within thirty-one (31) days of the Plan’s request. Such a request may be no more than annually following the two year period of the disabled dependent child’s attainment of the limiting age [N.D.C.C. §26.1-36-22 (4)].

If a person has a disabled dependent that is over the limiting age but was never previously covered by the Plan, they are eligible for coverage if the disability occurred prior to reaching the limiting age of 26. If for any reason Subscriber drops coverage for a disabled dependent prior to age 26, then wishes to cover the child again, coverage must be added prior to the child turning age 26. If the disabled child has reached age 26, the child must be continuously covered under the Plan in order to maintain eligibility.
- (3) Dependent of Dependent Child - To be eligible for coverage, a dependent of the Subscriber’s Dependent child, as defined above, must meet all the following requirements:
 - a) Be the natural child of the Subscriber’s Dependent child, a child placed with the Subscriber’s Dependent child for adoption, a legally adopted

- child by the Subscriber's Dependent child, a child for whom the Subscriber's Dependent child has legal guardianship, a stepchild of the Subscriber's Dependent child, or foster child of the Subscriber's Dependent child. These same definitions apply to dependents of the Dependent child(ren) of the Subscriber's living, covered Spouse; and
- b) The Subscriber's Dependent child must be a Covered Dependent under this Certificate of Coverage for the dependent of the Dependent child to be eligible; and
 - c) The dependent of Subscriber's Dependent child must be chiefly dependent on the Subscriber's Dependent child for support.

NOTE: Dependent coverage does not include the spouse of an adult Dependent child. Coverage will continue to the end of the month in which the adult Dependent child reaches the limiting age. Coverage does not include the adult Dependent child's spouse or child of such Dependent (dependent of dependent) unless that Dependent's child meets other coverage criteria established under state law. The adult Dependent's marital status, financial status, residency, student status or employment status will not be considered in determining eligibility for initial or continued coverage.

- C. **"Eligible Employee"** – Means every permanent employee who is employed by a governmental unit, as that term is defined in section 54-52-01. "Eligible employee" includes members of the legislative assembly, judges of the supreme court, paid members of state or political subdivision boards, commissions, or associations, full-time employees of political subdivisions, elective state officers as defined by subsection 2 of section 54-06-01, and disabled permanent employees who are receiving compensation from the North Dakota workforce safety and insurance fund. As used in this subsection, "permanent employee" means one whose services are not limited in duration, who is filling an approved and regularly funded position in a governmental unit, and who is employed at least seventeen and one-half hours per week and at least five months each year or for those first employed after August 1, 2003, is employed at least twenty hours per week and at least twenty weeks each year of employment. For purposes of sections 54-52.1-04.1, 54-52.1-04.7, 54-52.1-04.8, and 54-52.1-11, "eligible employee" includes retired and terminated employees who remain eligible to participate in the uniform group insurance program pursuant to applicable state or federal law.
- D. **"Incumbent"** – the current provider of the services sought through this RFP. (These services are currently underwritten by National Guardian Life Insurance Company and administrated by Superior Vision Services, Inc.)
- E. **"Retiree Eligibility"** – According to NDCC 54-52.1-03(2), a retiree who has accepted a periodic distribution from the defined contribution retirement plan

pursuant to section 54-52.6-13 who the Board determines is eligible for participation in the uniform group insurance program or has accepted a retirement allowance from the public employees retirement system, the highway patrolmen's retirement system, the teachers' insurance and annuity association of America - college retirement equities fund for service credit earned while employed by North Dakota institutions of higher education, the retirement system established by Job Service North Dakota under section 52-11-01, the judges' retirement system established under chapter 27-17, or the teachers' fund for retirement may elect to participate in the uniform group under this chapter without meeting minimum requirements at:

- (1) 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.
- (2) Member's 65th birthday or eligibility for Medicare;
- (3) Member's spouse or eligible dependent's 65th birthday or eligibility for Medicare;
- (4) The loss of coverage in a vision 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.
- (5) Marriage
- (6) Birth, adoption, or appointment of children for legal guardianship.

F. **"Offeror"** – an entity responding to this document will be referred to as this.

G. **"The Plan"** – means the vision benefits program pursuant to this RFP.

H. **"Vision Claims"** – means all professional services and equipment and supplies.

3. Background

The North Dakota Public Employees Retirement System (NDPERS) desires to provide voluntary vision benefits to all eligible active state and university employees and their dependents. The plan is also available to eligible retirees as provided previously. NDPERS is soliciting proposals for coverage to be effective January 1, 2024.

4. Key Dates in the Proposal Process

The following dates will apply during the proposal process. NDPERS reserves the right to waive or modify specific terms and conditions contained in this RFP, and to waive, modify or extend deadlines specified herein.

Date	Activity
February 1, 2023	RFP is issued.
February 24, 2023	Written questions regarding proposals must be received by NDPERS no later than 5:00 p.m. (CDT).
March 10, 2023	NDPERS posts responses to all questions received.
March 31, 2023	Proposals must be received by NDPERS no later than 5:00 p.m. (CDT).
May 2023	NDPERS Board review of proposals.
June 2023	Finalist interviews and Best and Final Offers due, if deemed necessary by the NDPERS Board
End of August 2023	Selection and award of contract by NDPERS.

5. Current Enrollment and Demographics

NDPERS provides fully-insured, voluntary group vision benefits for active employees, retirees and their respective eligible dependents (collectively “participants”) of NDPERS. In addition to eligible state and university employee and dependents, it is possible that participation may be extended to certain political subdivisions eligible to participate in NDPERS.

NDPERS currently offers one plan design of voluntary vision benefits. Listed below are the number of eligible participants and the number of enrolled participants as of January 2023.

Eligibility Category	Number of Eligible Employees/Retires	Number of Enrolled Participants
Actives	16,593	9,615
Retirees/COBRA	15,002	3,971

Annual enrollment for active state and university employees will be done each year from approximately mid-October through mid-November for coverage effective the following January 1. New hires must elect coverage within 31 days of their effective date. Coverage will then be effective the first day of the month following the date of permanent employment. If they do not elect coverage within 31 days, they must wait until the next annual enrollment period to apply. Due to NDPERS Board policy, active participants cannot cancel during the plan year unless they terminate employment or lose eligibility, or reduce coverage unless they experience a qualifying event.

Retirees do not have annual enrollment but rather, must apply within 31 days of a qualifying event as provided under the Retiree Eligibility definition.

6. General Information on the Voluntary Vision Plan

6.1. Benefit Plans

The Benefit Plan Year for NDPERS begins on January 1 of each year and concludes on December 31 of each year.

NDPERS has one plan of voluntary group vision benefits, which is funded by the employee/retiree contributing 100% of the premiums. The current benefits are described at the following link: <https://www.ndpers.nd.gov/active-members/insurance-plans-active-members/vision-insurance-active-members> .

Note: In all cases the “Group Vision Care Insurance Certificate” as issued by National Guardian Life Insurance Company will stand as the authority on questions related to plan design.

6.2. General

Insurers should keep in mind the following considerations as they prepare proposals in response to this RFP:

- The voluntary vision program is fully insured.
- With respect to this contract and program, no commissions, bonuses, or overrides will be paid to any party directly by NDPERS.
- No minimum participation requirements will be allowed by NDPERS.
- This program is 100% voluntary. Premiums are to be paid entirely by the employee.
- The Incumbent vendor will process all claims incurred prior to 1/1/2024.
- The Contractor will process all claims incurred while the contract between NDPERS and the Contractor is in effect. This includes run-out claims incurred during the period of the contract, but processed after the contract has been terminated.

II. ELIGIBILITY AND SELECTION CRITERIA

1. *Minimum Requirements*

To be eligible for consideration for this project, the Insurer must meet the following Minimum Requirements:

- A. The Insurer must have been in the business of providing group vision benefits for at least five (5) years. Insurers should provide detailed information to establish that they have been in the business of providing group vision insurance for at least five (5) years.
- B. The Insurer must be currently licensed by the North Dakota Department of Insurance to underwrite and administer group vision insurance.
- C. The Insurer must have successfully underwritten, implemented, and administered a group vision benefits plan for at least one group with 15,000+ active employees.

2. *Selection Criteria*

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

- A. The economy to be affected.
- B. The ease of administration.
- C. The adequacy of the coverages.
- D. The financial position of the carrier, with special emphasis as to its solvency.
- E. The reputation of the carrier and any other information that is available tending to show past experience with the carrier in matters of claim settlement, underwriting, and services.

The Board may reject any or all bids. In the event it does so, NDPERS shall again solicit bids as provided in this section.

III. GENERAL INFORMATION

1. *Non-Disclosure Agreement (NDA)*

In order to obtain Appendix D: Confidential Documents, which contains data necessary to complete a proposal in response to this RFP, each Insurer must complete and return a signed Non-Disclosure Agreement. NDPERS requests that only those organizations qualified to respond to this RFP, as defined in Section II of this RFP, submit the Non-Disclosure Agreement.

The Non-Disclosure Agreement must be in the form provided in Appendix B of this RFP. The Non-Disclosure Agreement must be received before any confidential data will be released to an Insurer. Please send the completed NDA via email to the attention of:

<p>Rebekah Ferstadt, Consultant Buck Global, LLC Phone: 602-541-5241 E-mail: Rebekah.Ferstadt@buck.com</p>

The information that will be provided to the Insurer after submission of the Non-Disclosure Agreement includes the following:

1. Attachment A: Technical Proposal
2. Attachment B: Financial Proposal
3. Appendix D: Confidential Documents, which will include: Demographic data to be used in completing the Geo-Access reports required in Attachments A-8 and A-9, data on the most utilized providers and facilities and disruption reports for completion of Attachments A-10 and A-11, as well as enrollment/claims utilization data, and premium/billing data.

In order to obtain Appendix D, an Insurer must first sign, and return the Non-Disclosure Agreement found at Appendix B, "Non-Disclosure Agreement," to Rebekah Ferstadt as described above. An electronic or scanned copy with the appropriate signature transmitted by e-mail is acceptable. Rebekah Ferstadt's e-mail address is provided above. Appendix D will be emailed via encrypted e-mail upon receipt of the Non-Disclosure Agreement. Appendix D will contain the necessary files in Microsoft Office format.

Note: Failure to complete all fields on Appendix B may slow the processing of the request for Appendix D or may cause the request to be rejected. In such instances, Buck Consultants, LLC will attempt to contact the submitter to resolve the deficiencies.

2. Inquiries Regarding Specifications

Insurers will have until 5:00 p.m. (CDT) on February 24, 2023 to submit questions in writing regarding this RFP. All questions shall cite the specific RFP section and paragraph number(s) to which the question refers. Any questions received by NDPERS prior to the date and time above will be answered in a question and answer document issued by NDPERS. Only answers provided in writing by NDPERS will be considered official.

All query submissions must include the identity of the sender, the sender's title, firm name, mailing address, telephone number, and e-mail address.

Questions must be submitted by email to Rebekah Ferstadt of Buck Consultants, using the contact information found below. Neither NDPERS nor Buck Consultants are responsible for questions received after the submittal deadline.

Answers to questions will be made available on the NDPERS web site at <https://www.ndpers.nd.gov/about/bid-opportunities> by March 10, 2023 at 5:00 p.m. C.D.T.

Only information in the materials constituting this RFP, including its attachments, exhibits, and forms, the question and answer document, and any RFP addendum shall be binding on NDPERS.

All inquiries regarding these specifications must be in writing and sent via email to:

<p>Rebekah Ferstadt, Consultant Buck Global, LLC Phone: 602-541-5241 E-mail: Rebekah.Ferstadt@buck.com</p>

3. Rules and Regulations

Any Insurer submitting a proposal must be able to meet and comply with all applicable state and federal statutes and regulations.

4. Confidentiality of Trade Secret, Proprietary, Commercial, and Financial Information (NDCC Section 44-04-18.4(6))

All materials submitted in response to this RFP will become property of NDPERS and upon receipt BY NDPERS are subject to the North Dakota public records law.

PLEASE NOTE that proposals should follow the Confidential/Proprietary Information instructions in Appendix C. Any provisions of the Responder's proposal

that are desired to be confidential must be identified specifically on each page of the proposal and included in the table provided in Appendix C.

5. Addenda, Amendments, and Clarifications to the RFP

NDPERS may issue any addenda, amendments, and clarifications regarding this RFP that NDPERS determines are necessary. All such addenda, amendments, and clarifications issued by NDPERS become part of the RFP. All addenda, amendments, and clarifications to the RFP will be issued in writing and added to the posting at: <https://www.ndpers.nd.gov/about/bid-opportunities>. NDPERS may also e-mail any addenda, amendments, or clarifications to all eligible Offerors that have submitted a Non-Disclosure Agreement that is recorded by NDPERS and that have provided NDPERS with an e-mail address. However, it shall be **the responsibility of the Offeror** to recheck the RFP posting at: <https://www.ndpers.nd.gov/about/bid-opportunities> for any possible addenda prior to submitting a proposal. The Offeror must acknowledge all addenda, amendments, or clarifications by either signing and returning such document(s) or indicating receipt on the Signature Page of the proposal. Only written addenda, amendments, and clarifications signed or sent by authorized NDPERS personnel shall be binding. All oral and other interpretations or clarifications have no legal effect.

6. Order of Responses

Responses must be made in the same order as provided in the specifications. Unless a variation from the specifications of the RFP is specifically noted in a response, the Offeror is agreeing to meet all requirements, including the required contract provisions, stated in this RFP (See Appendix A). No proposed variation is binding on NDPERS unless and until accepted by NDPERS.

7. Submission of Proposals

To be considered for award, six (6) printed and bound copies, one (1) unbound copy of the Offeror's proposal, and one (1) electronic, editable, PDF redacted copy of the qualitative proposal on a separate flash drive (note that the electronic redacted copies may not be a picture) must be received by NDPERS on or before 5:00 P.M. (CDT), March 31, 2023. The unbound copy shall bear original signatures and shall be marked as the "Master Copy". The unbound Master Copy shall contain no divider sheets or tabs, and shall be printed on one side only of 8-1/2 in. x 11 in. white paper to enable copying if needed. Colors must reproduce in a legible manner on a black-and-white copier. The unbound original and one (1) copy of the proposal on a flash drive shall be provided in a sealed envelope.

Responder acknowledges that NDPERS is subject to the North Dakota Open Records Laws, and the documents submitted pursuant to this RFP may be subject to a public records request. Responder is also 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, but 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 and which NDPERS has determined constitutes confidential or exempt information under the North Dakota public records law will be disclosed as an open record. If, as a result of the position taken by Respondent regarding the confidentiality of the information, NDPERS is assessed any damages or fees, Respondent shall indemnify NDPERS for such damages or fees. If no documents or materials are identified and marked by Respondent as confidential, Respondent will be deemed to have consented to the release of the document or material, and to have waived any cause of action against NDPERS resulting from the release of the documents or materials. NDPERS will not consider the prices submitted by the Responder to be confidential.

Copies of the proposal shall be delivered to:

**Katheryne Korom, Research & Project Manager
NDPERS
1600 East Century Avenue, Suite 2
PO Box 1657
Bismarck, ND 58502-1657**

- One additional bound hardcopy of the Offeror's proposal along with a flash drive version of the proposal in MS WORD and MS Excel formats (as appropriate) shall also be sent to:

**Rebekah Ferstadt, Consultant
Buck Global, LLC
231 S. Bemiston
Suite 400
St. Louis, MO 63105
Phone: 602-541-5241
E-mail:
Rebekah.Ferstadt@Buck.com**

- The base contract will be for a two year period of January 1, 2024 through December 31, 2025. All rates and fees must be firm, fixed and valid for the duration of the base period. Additionally, NDPERS is seeking two, two-year option periods for a potential total contract period of six years.

- Proposals and any other information submitted by organizations in response to this RFP shall become the property of NDPERS and will not be returned.
- NDPERS will not provide compensation to Offerors for any expenses that they incur as part of the proposal process, including but not limited to expenses incurred for preparing proposals, making demonstrations, responding to inquiries, and attending meetings and negotiations. Offerors submit proposals at their own risk and expense.
- The materials submitted must be enclosed in a sealed envelope, box, or container; the outside of the package must show clearly the submittal deadline, organization name, and the return address of the organization.
- Late proposals may be returned to the organization unopened at the organization's expense. Late proposals will not be considered unless the NDPERS Board determines otherwise.
- Proposals submitted via email or fax will not be accepted.
- Any award is contingent upon a contract acceptable to NDPERS being executed.

8. Acceptance of Proposals

NDPERS retains the right to reject all proposals submitted. NDPERS is not required to select the proposal with the lowest fees, but will take into consideration statutory guidelines and any factor it considers relevant. It is the intent of NDPERS at this time to enter into a contract effective upon execution with services beginning January 1, 2024 through December 31, 2025. The Board at its discretion may extend the contract for up to two additional two-year option periods. The premium and benefit structure of these extensions will be subject to negotiations prior to renewal. NDPERS has the right to discontinue the program if the legislature discontinues the program or for any other reason. The Offeror whose proposal is selected will be chosen with the goal of developing a long-term relationship.

9. Non-Responsive Proposals

NDPERS is not required to accept for consideration any proposal that does not comply with the criteria set forth herein.

10. References

Each Offeror must provide references from other clients as requested in this RFP. NDPERS or its designated representative may ask these clients to provide information regarding the Offeror's overall record of service in providing services for their participants. Providing references in its proposal constitutes the Offeror's permission for NDPERS to contact these clients.

11. Member Identification

A unique NDPERS identifier will be used as the reference number to identify

each individual in the plan. This unique number shall be printed on the vision identification cards.

12. Compliance with HIPAA

As a business associate of NDPERS, the Contractor must comply with the privacy, transactions and code set, and security requirements of the Health Insurance Portability and Accountability Act of 1996 (HIPAA), as if it were a covered entity, as that term is defined by HIPAA, and the federal regulations implementing HIPAA. The Contractor will be required to execute a business associate agreement, which will be an attachment to the Agreement, and abide by the terms of the business associate agreement throughout any contract term. The Contractor will also be required to comply with the security requirements of HIPAA.

13. Certification

An authorized Officer of any Offeror submitting a proposal must certify that the organization complies with the RFP specifications by signing and returning the Signature Pages included in this RFP as Attachment A-14 and Attachment B-7. An authorized Officer must also sign Attachment A-13: Deviations and B-6: Deviations, even if the Offeror is not claiming any deviations.

14. Waiver

By submitting a proposal, the Offeror submitting the proposal agrees to waive any claim it has or may have against NDPERS, NDPERS employees, NDPERS agents, and NDPERS attorneys, arising out of or in connection with (1) the administration, evaluation or recommendation of any proposal; (2) waiver of any requirement under this RFP; (3) acceptance or rejection of any proposal; and (4) award of the contract.

15. Additional Information from Responding Organizations

NDPERS reserves the right to request additional documentation from responding organizations, and such information may vary by Offeror.

16. Modification

No proposal may be changed after the deadline for submissions of proposals unless language within the proposal is needing clarification at NDPERS's request.

17. Solicitation

The selected Offeror shall not use lists of covered employees and other data for any purpose except to provide services to participants. Neither the selected Offeror nor its employees may disclose such information to any other party unless specifically authorized in writing in advance by NDPERS.

18. News Release

Written approval by NDPERS will be required for any news releases or other communications regarding a contract awarded to an Offeror.

19. Change Required by Statute, Regulation, Court Orders, or Program Appropriations

NDPERS recognizes that there are factors that could cause a change of condition with regard to NDPERS benefits and administration that are beyond the control of NDPERS or the Offeror submitting a proposal. Those factors that may affect the program include, but are not limited to:

- Federal and state statutes, regulations, court decisions, and administrative rulings.
- Funding appropriated by the North Dakota Legislature
- Opinions of the Attorney General of the State of North Dakota

NDPERS expects a good faith effort on the part of the Offeror that is selected to comply with additional responsibilities imposed by federal or state law without requiring mid-year fee increases. NDPERS reserves the right to negotiate with the Offeror as needed to comply with any changes required by statute, regulation, court order, administrative order, or official interpretation.

20. Financial Background

Appendix D, which will be provided after submission of a Non-Disclosure Agreement shows historical financial information on a paid basis.

IV. CONTRACT REQUIREMENTS

1. Introduction

The Agreement between NDPERS and the Contractor will incorporate the RFP as finally amended and/or clarified, the Contractor's proposal as amended or clarified, if applicable, and any other information the Contractor may be required to provide (hereinafter Contract Documents).

The Contract Documents are intended as the complete and exclusive statement of the agreement between NDPERS and the Contractor and supersede all prior or contemporaneous agreements, negotiations, course of prior dealings, or oral representations relating to the Agreement subject matter.

The terms and conditions of any agreements, amendments, modifications, or other documents submitted by the Offeror that conflict with or in any way purport to amend or add to any of the terms and conditions of the Agreement are specifically objected to by NDPERS and are of no force or effect, unless specifically agreed to by NDPERS and incorporated into the Agreement for Services as an amendment signed by both parties.

The Agreement may be amended by mutual consent of the parties. No modification or amendment to the Agreement shall become valid unless in writing and signed by both parties. All correspondence regarding modifications or amendments to the Agreement must be forwarded to NDPERS for prior review and approval.

The contracting organization agrees that it shall not publicize the Contract Documents or disclose, confirm or deny any details thereof to third parties or use any photographs or video recordings of NDPERS' or participating entities' employees or use NDPERS' name in connection with any sales promotion or publicity event without the prior express written approval of NDPERS.

2. Term of the Contract

The contract term will begin on January 1, 2024 upon the execution of the Agreement by NDPERS. The initial contract term will end on December 31, 2025. The NDPERS Board, at its discretion, may extend the contract for up to two additional two (2) year option periods. The timeline in the table below will apply for the duration of the contract.

Contract Period	Effective Date	Termination Date	Renewal Submission Date
Base Contract	January 1, 2024	December 31, 2025	March 1, 2025 (for Option Period #1)
Option Period 1	January 1, 2026	December 31, 2027	March 1, 2027 (for Option Period #2)
Option Period 2	January 1, 2028	December 31, 2029	N/A

NDPERS and the Contractor agree and acknowledge that the account services to be provided under this proposal will occur between January 1, 2024 and December 31, 2025. However, NDPERS and the Contractor also agree and acknowledge that there are duties and obligations specified by this proposal to be performed both prior to and after these dates. The parties each agree to perform all such duties and obligations, and all damage provisions included in the Agreement shall thereby be in effect.

3. Failure to Comply

Failure to comply with the procedures required by NDPERS or any other applicable guidelines shall be cause for the immediate imposition of liquidated damages and/or immediate cancellation of the Agreement, at NDPERS's option. Liquidated damages and/or cancellation shall remain in effect until NDPERS has been satisfied that circumstances resulting in liquidated damages and/or cancellation have been corrected.

4. Compliance with ERISA

As a governmental entity, NDPERS is not directly covered by the provisions of ERISA.

5. Taxpayer ID Number

The Contractor must obtain a Vendor Identification Number in order to receive payments issued through NDPERS. The Contractor will be required to complete a Payment Identification Form (W-9) and submit it to NDPERS in order to receive payment.

6. Authorized Signatures

An authorized officer of the Offeror must sign the Signature Page (Attachment A-14) and the Deviations page (Attachment A-13), which are part of this RFP. Offeror shall include a copy of a document granting the signing officer authority to bind the Offeror to the agreements and representations made in the Offeror's proposal. This document shall be labeled as **Response Attachment A-14: Authorization Documentation**.

7. Prohibited Interest

An officer, director, or employee of NDPERS may not have a direct interest in the gains or profits from any Agreement executed by NDPERS pursuant to this RFP and may not receive any pay or emolument for any service performed for the Contractor.

8. Required Contract Provisions

The selected Offeror will enter into a written agreement between it and NDPERS. The contract shall be in a form satisfactory to NDPERS.

V. DESCRIPTION OF SERVICES CURRENTLY PROVIDED

It is NDPERS' intent that the Contractor provide a level of service that is at least comparable to that provided by the Incumbent. A description of benefits currently offered is available on-line at "NDPERS Group Plan Booklet" at <https://www.ndpers.nd.gov/active-members/insurance-plans-active-members/vision-insurance-active-members> . To assist prospective Offerors, the following is an overview of the services currently provided.

1. Claim Adjudication and Member Services

The majority of NDPERS claims are auto-adjudicated, which means the claims can be processed without human intervention. Paper claims are scanned into an imaging system, and verified for accuracy. Data Entry Specialists are responsible for confirmation of scanned claims with image anomalies as well as manually keying any claims that cannot be scanned. Once the scanned claim is verified, it and all other claims ready for processing are run through a batch process each evening. The claims that edit out of the auto adjudication process are routed to the examiners and senior examiners for review and release. Customer Service Specialists (CSS) can see claim history and claims in process. Through a workflow process they can send corrections or updates as needed based on calls received into the call center. CSSs do not process or correct claims.

Year-end 2022 call center and claim processing statistics for Superior Vision are shown below:

Based on Superior Vision Book of Business	
Service Center Call Abandonment rate	5%
Average time to answer calls (minutes)	73 seconds
% of calls answered within 30 seconds	95%
Percentage of auto-adjudicated claims	97%
Total # of claims processed	3,577,393
Average clean claim turnaround time (days)	98% w/in 15 days 99% w/in 30 days

Based on NDPERS Business	
Service Center Call Abandonment rate	0.5%
Average time to answer calls (minutes)	12 seconds
% of calls answered within 30 seconds	99.5%
Percentage of auto-adjudicated claims	97%
Total # of claims processed	19,623
Average clean claim turnaround time (days)	99% w/in 15 days

2. Network Management

Currently, the NDPERS voluntary vision plan is a network based, Preferred Provider Organization (PPO) plan. As such, there is a provider network in place that includes vision care providers who are currently under contract with, but not necessarily employed by, Superior Vision. Non-network providers (and associated benefit levels) are also available and may be accessed at the discretion of the individual plan participant.

3. Eligibility / Participant Premium Billing Services

NDPERS will submit enrollment, billing, and premium remittance via a centralized electronic system. NDPERS will collect enrollment/eligibility information which will be provided to the successful Contractor on a data file that follows the HIPAA 834 file specifications. Premium payment information will be provided on a data file that follows the HIPAA 820 file specifications. Files will be transmitted using a secure file transmission process. The successful Contractor must be able to receive this data in that format and media.

Premiums will be eligible for salary reduction on a pre-tax basis, through IRC Section 125.

4. COBRA Administration

This function is currently performed internally by NDPERS.

5. Issuance of ID Cards

ID cards are provided by Contractor and mailed directly to the participants' homes. Participants also have the option of printing replacement ID cards from the carrier's web site.

6. Reporting

- Weekly Eligibility Discrepancy Reports
- Quarterly Reports:
 - Enrollment by coverage tier report
 - Eyeglass frame summary report
 - Top 35 provider report by claim count and claim cost

7. Summary Plan Description

An electronic copy is published at

<https://www.ndpers.nd.gov/sites/www/files/documents/members-additional-information/all-vision/superior-vision-spd.pdf> .

8. Functional Relationships

It is expected that the successful Contractor will interact with the following people at NDPERS:

General Account Management Contact:

Rebecca Fricke, Chief Benefits Officer
NDPERS

Secondary Contact:

Lindsay Schaf, Insurance Manager
NDPERS

9. Applicable Law

Bidder must meet all requirements in the North Dakota Century Code including 54-52; 54-52.1 and all requirements in the North Dakota Administrative Code and other applicable State Laws. Bidder must also comply with all applicable statutes of the North Dakota Insurance Commissioner.

VI. FORMAT OF PROPOSAL

Offeror shall submit their proposal in accordance with the requirements of Section III.7, Submission of Proposals. Regarding the proposal, Offerors are hereby advised of the following:

- Each proposal shall be prepared simply and economically, providing a straightforward, concise description of the organization's ability to meet the requirements of this RFP as outlined in Sections V and VI. Emphasis should be on completeness, clarity of content, responsiveness to the requirements and an understanding of NDPERS's needs.
- Proposals that are qualified with conditional clauses, alterations, items not called for in the RFP documents, or irregularities of any kind are subject to disqualification by NDPERS, at its option.
- Representations made within the proposal will be binding on the responding organizations. NDPERS will not be bound to act by any previous communication or proposal submitted by the organization other than this RFP and any proposal submitted in response to this RFP.

The proposal shall include the following sections in the order in which they appear below. Each of the attachments described in this section must be completed in the MS Excel format in which it is provided.

1. Cover Letter

A transmittal letter shall be bound with the Offeror's proposal. The letter should bear the name and address of the Offeror and the name and number of this RFP. The purpose of this letter is to transmit the proposal(s) and acknowledge the receipt of any addenda. The transmittal letter should be brief and signed by an individual who is authorized to commit the Contractor to the services and requirements as stated in this RFP.

2. Table of Contents

The proposal shall include a Table of Contents that lists page number references. The Table of Contents should be in sufficient detail to facilitate easy reference to the sections of the proposal and separate attachments (which shall be included in the main Table of Contents). If supplemental materials are included with the proposal, each copy of the proposal must include such supplemental materials. Supplemental information and attachments included by the organization (i.e., not required) should be clearly identified in the Table of Contents and provided as a separate section.

3. Attachment A: Technical Proposal

The following exhibits are located in the MS Excel documents labeled **Attachment A: Technical Proposal** and **Appendix D: Confidential Documents**.

Appendix D: Confidential Documents will be sent only to those Offerors who submit a Non-Disclosure Agreement to the Consultant as described in Section III.1 of this RFP.

The Offeror shall complete each of the tabs in Attachment A according to the instructions described below and any additional instructions included at the top of each worksheet.

Cells which have been highlighted in yellow require a response from the Offeror. Response types throughout the documents include selecting from a pre-set drop down menu, entering a numerical value and/or writing a brief narrative. If the cell includes a drop down menu, the Offeror shall not provide a response that is not provided in the drop down list.

Microsoft Excel will print 1,024 characters in each cell. Therefore, please limit the length of your response to 1,024 characters. Additional space has been provided in Attachments A-5b and A-6b: Additional Answers to Questionnaire for the Offeror to continue a response from Attachment A-5a (General Questionnaire and Attachment A-6a (Network Questionnaire) as appropriate.

3.1. Attachment A-1: Minimum Requirements

The Offeror shall complete Attachment A-1 as requested. The Offeror shall state how they specifically meet or exceed each requirement.

3.2. Attachment A-2: Plan Information

The Offeror shall complete each section of Attachment A-2 as requested. References provided shall include at least one reference for which the proposed account manager currently provides service.

The Offeror's Legal Name entered in Attachment A-2 will automatically be used to populate the Attachment A-14: Signature Page and Attachment A-13: Deviations, in addition to other areas of the MS Excel attachments.

3.3. Attachment A-3: Vision Plan Design

The Offeror shall review the current plan design and propose alternative plan designs in the space provided. Benefits for Alternative Plans benefits should be equal to or better than the current benefit plan and should be revenue neutral with respect to the current plan rating structure generated by the bidders underwriting guidelines. All premium rates must be divisible by two and guaranteed for the January 1, 2024 to December 31, 2025 period. (Please note that the Offeror will provide a premium quote for all plan designs in Attachment B-2: Financial Proposal.)

3.4. Attachment A-4: Administrative Requirements

The Offeror shall complete the exhibit by selecting either "Agree" or "Disagree" from the drop down list next to each administrative requirement. For each

requirement for which the Offeror selects “Disagree”, an explanation must be provided in Attachment A-13: Deviations.

3.5. Attachment A-5: General Questionnaire

The Offeror shall answer each question in A-5a: Questionnaire completely/briefly in the space provided. If additional space is needed, the response can be continued in Attachment A-5b: Additional Answers to Questionnaire. Continued responses should be labeled clearly with both the Section number (A-5a) and the corresponding question number.

If a drop down list is available, the Offeror shall select a response from the list provided.

3.6. Attachment A-6: Network Questionnaire

The Offeror shall answer each question in A-6a: Questionnaire completely/briefly in the space provided. If additional space is needed, the response can be continued in Attachment A-6b: Additional Answers to Questionnaire. Continued responses should be labeled clearly with both the Section number (A-6a) and the corresponding question number.

If a drop down list is available, the Offeror shall select a response from the list provided.

3.7. Attachment A-7: Subcontractor Questionnaire

The Offeror shall complete a Subcontractor Questionnaire for each subcontractor proposed to perform any of the administrative requirements of this contract.

3.8. Attachment A-8: Access to Vision Care Providers (Non-Retail-Chain Providers)

NDPERS is interested in the availability of key vision care providers (excluding retail chains) to its eligible population. To assist the Offeror in completing the standard GeoAccess report for vision care providers, NDPERS will provide the Offeror with a census file as part of Appendix D: Confidential Documents. The file will include the following fields: personal identifier, age, gender, city, state and ZIP Code. (Please exclude individuals for which the zip code is equal to “00000” from the analysis.) This file will be sent to only those Offerors who submit a Non-Disclosure Agreement to Rebekah Ferstadt as described in Section III.1 of this RFP.

The Offeror shall prepare a GeoAccess report for each network proposed, using the census data provided by NDPERS and the parameters shown below:

Access to Vision Care Providers (Non-Retail Chain Providers)	
Urban/Suburban Areas (1,000 or greater people per square mile)	1 within 10 miles
Rural Areas (Less than 1,000 people per square mile)	1 within 40 miles

The report should include the average distance to each provider, the number of providers in the ZIP Code, the number of members that meet the access requirements above and the number of members that do not meet the access requirements above.

In addition to the standard GeoAccess hard copy report, the data must be supplied in electronic format that has read/write capabilities. Do not send the data in a read-only file. Label the complete GeoAccess report as ***Response Attachment A-8: GeoAccess Report for Non-Retail-Chain Providers***. Part B of Attachment A-8 shows the reporting format for the Offeror’s response attachment.

In addition, the Offeror shall complete the exhibit in Part C of Attachment A-8, which summarizes the GeoAccess data for vision care providers by county. Please note that the Offeror needs only to populate the highlighted cells in the exhibit; all other cells will be calculated based on the values entered in the highlighted cells.

3.9. Attachment A-9: Access to Retail-Chain Providers

NDPERS is interested in the availability of retail-chain vision care providers to its eligible population. To assist the Offeror in completing the standard GeoAccess report for these providers, NDPERS will provide the Offeror with a census file as part of Appendix D: Confidential Documents. The file will include the following fields: person identifier, age, gender, city, state and ZIP Code. (Please exclude individuals for which the zip code is equal to “00000” from the analysis.) This file will be sent to only those Offerors who submit a Non-Disclosure Agreement to Rebekah Ferstadt as described in Section III.1 of this RFP.

The Offeror shall prepare a GeoAccess report for each network proposed, using the census data provided by NDPERS and the parameters shown below:

Access to Retail-Chain Providers	
Urban/Suburban Areas (1,000 or greater people per square mile)	1 within 10 miles
Rural Areas (Less than 1,000 people per square mile)	1 within 40 miles

The report should include the average distance to each provider, the number of providers in the ZIP Code, the number of members that meet the access requirements above and the number of members that do not meet the access requirements above.

In addition to the standard GeoAccess hard copy report, the data must be supplied in electronic format that has read/write capabilities. Do not send the data in a read-only file. Label the complete GeoAccess report as ***Response Attachment A-9: GeoAccess Report for Retail-Chain Providers***. Part B of Attachment A-9 shows the reporting format for the Offeror’s response attachment.

In addition, the Offeror shall complete the exhibit in Part C of Attachment A-9, which summarizes the GeoAccess data for other specialists by county. Please note that the Offeror needs only to populate the highlighted cells in the exhibit; all other cells will be calculated based on the values entered in the highlighted cells.

3.10. Attachment A-10: Disruption based on Paid Vision Care Provider Claims (Non-Retail-Chain Providers)

The required data for Attachment A-10 is included in the MS Excel document entitled **Appendix D: Confidential Documents**. This file will be sent to only those Offerors who submit a Non-Disclosure Agreement to the Consultant as described in Section III.1 of this RFP.

The Offeror shall agree that all confidential, proprietary or trade secret information of the Incumbent shall be used only for the express purpose of formulating a proposal for NDPERS. Offeror shall further agree that following its use of such confidential, proprietary or trade secret information, it shall take immediate action to destroy and/or render unidentifiable such information.

The Offeror shall complete the exhibit by indicating whether or not the named provider is a member of the network being proposed for NDPERS. Valid responses are either “Yes” or “No”. All other responses will be treated as a “No” response.

3.11. Attachment A-11: Disruption based on Paid Retail-Chain Provider Claims

The required data for Attachment A-11 is included in the MS Excel document entitled **Appendix D: Confidential Documents**. This file will be sent to only those Offerors who submit a Non-Disclosure Agreement to the Consultant as described in Section III.1 of this RFP.

The Offeror shall agree that all confidential, proprietary or trade secret information of the Incumbent shall be used only for the express purpose of formulating a proposal for NDPERS. Offeror shall further agree that following its use of such confidential, proprietary or trade secret information, it shall take immediate action to destroy and/or render unidentifiable such information.

The Offeror shall complete the exhibit by indicating where or not the named facility is a member of the network being proposed for NDPERS. Valid responses are either “Yes” or “No”. All other responses will be treated as a “No” response.

3.12. Attachment A-12: Performance Guarantees

At a minimum, the criterion identified in Attachment A-12 serves as a benchmark for performance measurements. Actual performance metrics and penalties will be finalized during contract negotiations between NDPERS and the selected organizations.

The Offeror shall complete the exhibit by selecting either “Agree” or “Disagree” from the drop down list next to each performance guarantee. For each requirement for which the Offeror selects “Disagree”, an explanation must be provided in Attachment A-13: Deviations.

3.13. Attachment A-13: Deviations

The Offeror shall complete this attachment regardless of whether or not deviations from the administrative requirements or performance guarantees are proposed. The top right of the worksheet includes macros that the Offeror can use to indicate whether or not deviations are included in the table below the signature line.

Prior to printing the final proposal, the Offeror shall ensure that the print area of this document is set appropriately. If no deviations are claimed, then the print area shall end following the title of the individual signing the document. Otherwise, the print area shall end following the last deviation described in the table.

3.14. Attachment A-14: Signature Page

The Offeror shall complete this attachment and provide documentation granting authorization for the signing officer to bind the Offeror to the agreements and representations made in the Offeror’s proposal. Label the documentation as **Response Attachment A-14: Authorization Documentation**.

3.15. Completed Appendices

The following Appendices shall be completed and attached here. Each Appendix shall be filled out in its entirety and shall include the signature of the Offeror's authorized agent. **Failure to complete, sign, and/or return all specified Appendices may result in disqualification of the Offeror's Proposal.**

Appendix C: Confidential/Proprietary Information - This form shall be completed and provided on behalf of the Offeror firm and its principles.

3.16. Response Attachments

The following response attachments shall be included in the following order:

1. Response Attachment A-5: Certificates of Insurance
2. Response Attachment A-5: Conflict of Interest List
3. Response Attachment A-5: Offeror Resources
4. Response Attachment A-5: Additional Costs for Lens Options
5. Response Attachment A-5: Sample Member Satisfaction Survey
6. Response Attachment A-5: Sample forms
7. Response Attachment A-5: Sample Communication Documents and Enrollment Forms
8. Response Attachment A-5: Sample Reporting Response
9. Response Attachment A-5: List of Proposed Communications & Informational
10. Materials
11. Response Attachment A-5: Implementation Team Organizational Chart
12. Response Attachment A-5: Preliminary Implementation Plan
13. Response Attachment A-5: Account Management Team Organizational Chart
14. Response Attachment A-5: Account Management Support
15. Response Attachment A-6: National Network Providers
16. Response Attachment A-8: GeoAccess Report for Vision Care Providers
17. Response Attachment A-9: GeoAccess Report for Retail-Chain Providers
18. Response Attachment A-14: Authorization Documentation

4. Attachment B: Financial Proposal

The following exhibits are located in the MS Excel documents labeled **Attachment B: Financial Proposal** and **Appendix D: Confidential Documents**.

Appendix D: Confidential Documents will be sent only to those Offerors who submit a Non-Disclosure Agreement to the Consultant as described in Section III.1 of this RFP.

The Offeror shall complete each of the tabs in Attachment B according to the instructions described below and any additional instructions included at the top of each worksheet.

Cells which have been highlighted in yellow require a response from the Offeror. Response types throughout the documents include selecting from a pre-set drop down menu, entering a numerical value and/or writing a brief narrative. If the cell includes a drop down menu, the Offeror shall not provide a response that is not provided in the drop down list.

4.1. Attachment B-1: Financial Requirements

The Offeror shall complete Attachment B-1 as requested. The Offeror shall state how they specifically meet or exceed each requirement.

4.2. Attachment B-2: Financial Proposal

The Offeror shall propose premium rates for each requested plan design on a per month basis. NDPERS is requesting guaranteed rates that are divisible by two for a total of two years. Years one and two should be two-year rates, years three and four should be two-year rates, and year five and six should be two-year rates.

The product of the monthly premium and the total number of contracts by tier, as shown in the exhibit, will be multiplied by a factor of 24 in order to calculate the projected cost as shown for the first two years of the contract. The same methodology will be used for each of the option periods of the contract.

4.3. Attachment B-3: Premium Breakdown

The Offeror shall provide the applicable percentage of the total premium attributable to the component of the premium listed. For any item for which the Offeror enters 0%, it will be assumed that the service is included in the premium; however, the Offeror is unable to provide a separate percentage attributable to that item. Percentages should add up to a total of 100%.

4.4. Attachment B-4: Network Composition

The Network Composition exhibit outlines which areas your commercial network covers and which areas are covered by other networks. For each five-digit ZIP Code, NDPERS has provided the Offeror with the number of NDPERS employees, retirees, spouses and other dependents currently enrolled in the plan as of January 2023 under the heading "General Information".

For each five-digit ZIP Code, the Offeror shall provide the requested metrics for the network being proposed. For the number of lives covered, the number of vision care providers and the number of retail-chain providers, the Offeror shall base their response on their total book of business within each ZIP Code during calendar year 2022. (The Incumbent shall not base their response on the NDPERS business alone.)

For subsequent metrics, the Offeror shall base their response on the incurred claim activity of their total book of business during calendar year 2022.

4.5. Attachment B-5: Provider Network

NDPERS has provided data for a representative sample of 10 vision provider procedures. Using provider agreements of the network proposed for the NDPERS vision program please provide the allowed charge (reimbursement) and pricing methodology used in each of the three-digit ZIP Codes indicated. When more than one reimbursement amount is utilized in a ZIP Code, provide the most prevalent reimbursement.

4.6. Attachment B-6: Deviations

The Offeror shall complete this attachment regardless of whether or not deviations from the financial requirements are proposed. The top right of the worksheet includes macros that the Offeror can use to indicate whether or not deviations are included in the table below the signature line.

Prior to printing the final proposal, the Offeror shall ensure that the print area of this document is set appropriately. If no deviations are claimed, then the print area shall end following the title of the individual signing the document. Otherwise, the print area shall end following the last deviation described in the table.

4.7. Attachment B-7: Signature Page

The Offeror shall complete this attachment and provide documentation granting authorization for the signing officer to bind the Offeror to the agreements and representations made in the Offeror's proposal. Label the documentation as **Response Attachment B-7: Authorization Documentation.**

4.8. Response Attachments

The following response attachments shall be included in the following order:

- Response Attachment B-7: Authorization Documentation

APPENDICES

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

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

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

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

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

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

- 1) If CONTRACTOR fails to provide services required by this Agreement within the time specified or any extension agreed to by NDPERS; or

2) If CONTRACTOR fails to perform any of the other provisions of this Agreement, or so fails to pursue the work as to endanger performance of this Agreement in accordance with its terms.

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

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

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

- 7) **ACCESS TO RECORDS AND CONFIDENTIALITY:** The parties agree that all participation by NDPERS members and their dependents in programs administered by NDPERS is confidential under North Dakota law. CONTRACTOR may request and NDPERS shall provide directly to CONTRACTOR upon such request, confidential information necessary for CONTRACTOR to provide the services described in Exhibit A. CONTRACTOR shall keep confidential all NDPERS information obtained in the course of delivering services. Failure of CONTRACTOR to maintain the confidentiality of such information may be considered a material breach of the contract and may constitute the basis for additional civil and criminal penalties under North Dakota law. CONTRACTOR has exclusive control over the direction and guidance of the persons rendering services under this Agreement. Upon termination of this Agreement, for any reason, CONTRACTOR shall return or destroy all confidential information received from NDPERS, or created or received by CONTRACTOR on behalf of NDPERS. This provision applies to confidential information that may be in the possession of subcontractors or agents of CONTRACTOR. CONTRACTOR shall retain no copies of the confidential information. In the event that CONTRACTOR asserts that returning or destroying the confidential information is not feasible, CONTRACTOR shall provide to NDPERS notification of the conditions that make return or destruction infeasible. Upon explicit written agreement of NDPERS that return or destruction of confidential information is not feasible, CONTRACTOR shall extend the protections of this Agreement to that confidential information and

limit further uses and disclosures of any such confidential information to those purposes that make the return or destruction infeasible, for so long as CONTRACTOR maintains the confidential information.

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

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

- 8) **APPLICABLE LAW AND VENUE:** This Agreement is governed by and construed in accordance with the laws of the State of North Dakota. Any action to enforce this Contract must be adjudicated exclusively in the state District Court of Burleigh County, North Dakota. Each party consents to the exclusive jurisdiction of such court and waives any claim of lack of jurisdiction or *forum non conveniens*.
- 9) **MERGER AND MODIFICATION:** This Agreement, including the following documents, constitutes the entire agreement between the parties. There are no understandings, agreements, or representations, oral or written, not specified within this Agreement. This Agreement may not be modified, supplemented or amended, in any manner, except by written agreement signed by both parties.

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

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

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

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

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

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

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

CONTRACTOR:

VENDOR

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 the **ENTER BUSINESS ASSOCIATE NAME, ADDRESS OF ASSOCIATE.**

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 the **ENTER BUSINESS ASSOCIATE NAME.**
- c. Covered Entity. “Covered Entity” means the **North Dakota Public Employees Retirement System Health Plans.**
- d. PHI and ePHI. “PHI” means Protected Health Information; “ePHI” means Electronic Protected Health Information.

2. Obligations of Business Associate

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, insurance membership data to conduct RFP vendor searches – 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.

4.3. 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 07/01/2023, 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:

Scott Miller, 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 VENDOR
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 VENDOR relating to maintenance and destruction of NDPERS Confidential Information held by VENDOR and its subsidiaries.

WHEREAS, NDPERS has previously entered into contracts with VENDOR to provide services related to administration of the NDPERS RFP (Contracts).

WHEREAS, the services provided by VENDOR under these Contracts required the exchange of information between the parties that is confidential under North Dakota Century Code §§ 54-52-26 and 54-52.1-11, 54-52.1-12 (Confidential Information).

WHEREAS, the parties acknowledge that these Contracts, including the Business Associate Agreements between the parties, required VENDOR 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 VENDOR 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, VENDOR has provided and NDPERS has reviewed the VENDOR records retention policy (Policy) applicable to the Confidential Information and VENDOR 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. VENDOR 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, VENDOR shall confirm the destruction of Confidential Information under its Policy.
3. Upon the request of NDPERS, VENDOR shall provide NDPERS a copy of any change to the Policy provided NDPERS on DATE.
4. NDPERS agrees these actions are consistent with VENDOR obligations under these Contracts.
5. This Memorandum of Understanding will terminate upon notice to NDPERS by VENDOR that all Confidential Information has either been

returned to NDPERS or destroyed, or earlier, upon thirty (30) days' notice by NDPERS to VENDOR 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: _____

VENDOR

BY: _____

Its: _____

Date: _____

Attach Contractor Records Retention Policy

Appendix B – Non-Disclosure Agreement

This Non- Disclosure Agreement (the “Agreement”) is made this _____ day of _____ 2023, by and between _____ (hereinafter referred to as "the OFFEROR ") and the North Dakota Public Employees Retirement System (hereinafter referred to as "NDPERS").

OFFEROR warrants and represents that it intends to submit a Proposal in response to the NDPERS RFP, the Request for Proposals for Group Voluntary Vision Benefits Plan. In order for the OFFEROR to submit a Proposal, it will be necessary for NDPERS to provide the OFFEROR with access to certain information that constitutes confidential information under North Dakota law, including, but not limited to, demographic and identifying information on NDPERS active and retiree population and plan utilization data. All such information provided by NDPERS shall be considered Confidential Information regardless of the form, format, or media upon which or in which such information is contained or provided, regardless of whether it is oral, written, electronic, or any other form, and regardless of whether the information is marked as “Confidential Information.” As a condition for its receipt and access to the Confidential Information described in Section III of the RFP, OFFEROR agrees as follows:

1. OFFEROR will not copy, disclose, publish, release, transfer, disseminate or use for any purpose in any form any Confidential Information received under Section III, except in connection with the preparation of its Proposal.
2. The OFFEROR shall agree that all confidential, proprietary or trade secret information of the Incumbent shall be used only for the express purpose of formulating a proposal for NDPERS.
3. Each employee or agent of the OFFEROR who receives or has access to the Confidential Information shall execute a copy of this Agreement and the OFFEROR shall provide originals of such executed Agreements to NDPERS. Each employee or agent of the OFFEROR who signs this Agreement shall be subject to the same terms, conditions, requirements and liabilities set forth herein that are applicable to the OFFEROR and the OFFEROR shall be liable for any violations by any employees or agents who are provided or given access to Confidential Information.
4. OFFEROR shall destroy and confirm such destruction with notice to NDPERS, the Confidential Information, including any copies, remaining in its possession within five business days of NDPERS’s notice of a recommended award in connection with this procurement. If the OFFEROR does not submit a Proposal, the OFFEROR shall return the Confidential Information, including any copies, to the NDPERS Purchasing and Contracts Manager identified in the RFP, Section III, on or before the due date for Proposals.
5. OFFEROR acknowledges that the disclosure of the Confidential Information may cause irreparable harm to NDPERS and agrees that NDPERS may obtain an injunction to prevent the disclosure, copying, or other impermissible use of the Confidential Information. NDPERS’s rights and remedies hereunder are

cumulative and NDPERS expressly reserves any and all rights, remedies, claims and actions that it may have now or in the future to protect the Confidential Information and/or to seek damages for the OFFEROR'S failure to comply with the requirements of this Agreement.

6. In the event NDPERS suffers any losses, damages, liabilities, expenses, or costs (including, by way of example only, attorneys' fees and disbursements) that are attributable, in whole or in part to any failure by the OFFEROR or any employee or agent of the OFFEROR to comply with the requirements of this Agreement, OFFEROR and such employees and agents of OFFEROR shall hold harmless and indemnify NDPERS and the State of North Dakota from and against any such losses, damages, liabilities, expenses, and/or costs.
7. This Agreement shall be governed by the laws of the State of North Dakota. The OFFEROR consents to personal jurisdiction in North Dakota state courts, and exclusive venue shall be in Burleigh County, North Dakota.
8. The individual signing below warrants and represents that they are fully authorized to bind the OFFEROR to the terms and conditions specified in this Agreement. If signed below by an individual employee or agent of the OFFEROR under Section 3 of this Agreement, such individual acknowledges that a failure to comply with the requirements specified in this Agreement may also result in personal liability.

Offeror: _____

By: _____

Print Name: _____

Title: _____

Address: _____

**OFFEROR'S EMPLOYEES AND AGENTS WHO WILL BE GIVEN ACCESS
TO THE CONFIDENTIAL INFORMATION**

Printed Name and Address of Individual Agent	Employee (E) or Agent (A)	Signature	Date

Please provide the name and delivery address for the individual who is to receive Appendix D: Confidential Documents.

Offeror: _____

Name: _____

Title: _____

Address: _____

Phone Number: _____

Attach Contractor Records Retention Policy

Appendix C – Confidential/Proprietary Information Request for Redaction Chart

The Responder submitting a proposal to the attached RFP is required to complete the following.

Any provisions of the company’s proposal that are desired to be confidential must be identified specifically on each page of the proposal and in a table formatted as provided below.

Information not identified in the table will be considered an open record by NDPERS, regardless of whether the information is marked confidential in the body of the proposal.

In response to the Request for Proposals entitled _____ (please check one):

- _____ Offeror asserts that the information noted in the table below constitutes proprietary, trade secret, commercial, or financial information as defined by North Dakota Century Code section 44-04-18.4, and desires that the information noted in the table below not be disclosed if requested pursuant to the North Dakota Open Records law. **Offeror has submitted a redacted copy of the proposal that accurately and completely redacts the information noted in the table below.**
- _____ Offeror makes NO assertion that any information in its Proposal, in whole or in part, should be protected from disclosure under the North Dakota Open Records law.

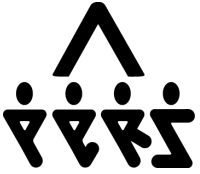
Technical Proposal:				
Specific wording that Responder desires to protect	Page Number, Section Number	Specific reason Responder believes the language should not be disclosed	North Dakota Century Code provision that allows NDPERS to withhold the information if requested	Has this information ever been publicly disclosed? (Yes/No)
<i>Insert rows above as necessary</i>				
Cost Proposal:				
Specific wording that Responder desires to protect	Page Number, Section Number	Specific reason Responder believes the language should not be disclosed	North Dakota Century Code provision that allows NDPERS to withhold the information if requested	Has this information ever been publicly disclosed? (Yes/No)
<i>Insert rows above as necessary</i>				

The above information has been reviewed by Responder’s legal counsel and is attested to by _____ (insert name of Responder representative who is authorized to contractually bind Responder), on this _____ day of _____, 2023.

_____ (Signature)

Appendix D – Confidential Documents

This appendix will be provided to those that submit a completed Appendix B: Non-Disclosure Agreement per the instructions in Section III.1.



Memorandum

TO: NDPERS Board

FROM: Katheryne Korom

DATE: January 10, 2023

SUBJECT: Group Life Insurance Plan Request For Proposal (RFP)

We received five proposals by the December 22nd deadline for The Group Life Insurance Plan RFP that was issued on November 1, 2022. These five proposals were received from: Dearborn Group, MetLife, Standard Insurance Company, Voya Financial, and New York Life. Buck consultants have started their proposal review process.

We received proposals from Aflac and Securian Financial that arrived at PERS after the deadline. Aflac's proposal was delivered to Buck before the deadline, which indicates that perhaps the weather was an issue. Securian's proposal was not.

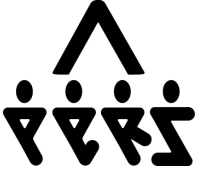
Following are the key dates for the proposal process:

Date	Activity
November 01, 2022	RFP is issued.
November 22, 2022	Written questions regarding proposals must be received by NDPERS no later than 5:00 p.m. (CDT).
December 06, 2022	NDPERS posts responses to all questions received.
December 22, 2022	Proposals must be received by 5:00 p.m. (CDT).
February 2023	Begin finalist interviews and Best and Final Offers if deemed necessary by the NDPERS Board.
March 2023	Selection and award of contract by NDPERS.
July 1, 2023	Effective Date of Coverage.

Aflac retained an attorney in Bismarck, who called Scott to request an appeal of staff's initial disqualification of their proposal as being too late. After discussing the situation with Buck and learning that Buck received the proposal before the deadline, we decided to provide this information to the Board and have the Board review whether to allow Aflac's submission.

If you have any questions regarding the Group Life Insurance Plan RFP, we will be available at the NDPERS Board Meeting.

Board Action Requested: Determine whether to allow further consideration of Aflac's proposal.



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

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

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

Memorandum

TO: NDPERS Board

FROM: Rebecca

DATE: January 10, 2023

SUBJECT: Sanford Health Plan Administrative Services Agreement

The Board approved renewing with Sanford Health Plan (SHP) for the July 1, 2023 through June 30, 2025 biennium at the September meeting. Dean and staff have reviewed the attached proposed administrative services agreement provided by SHP. Upon approval, staff will continue working with SHP to finalize the various exhibits and will bring those back for the Board's approval at the June Board meeting.

Board Action Requested: Approve the proposed administrative service agreement with Sanford Health Plan for the upcoming biennium and authorize Chairperson Rindy to sign.

SECOND AMENDMENT AND RESTATEMENT TO THE ADMINISTRATIVE SERVICE AGREEMENT

THIS SECOND AMENDMENT TO ADMINISTRATIVE SERVICE AGREEMENT (the "Amendment"), effective July 1, 2023, (the "Amendment Date"), is by and between the State of North Dakota, acting through its Public Employees Retirement System ("the Plan Sponsor"); the North Dakota Public Employees Retirement System (NDPERS) ("the Plan Administrator"); and Sanford Health Plan, a South Dakota non-profit corporation ("SHP").

WHEREAS, the parties entered into an Administrative Services Agreement effective July 1, 2021, through June 30, 2023 (the "Agreement"); and

WHEREAS, the parties desire to continue their agreement by executing a SECOND AMENDMENT TO THE AGREEMENT. The parties have concurred and also believe a RESTATEMENT TO THE AGREEMENT WILL ASSIST THE PARTIES MORE EASILY UNDERSTAND OBLIGATIONS UNDER THE AGREEMENT.

WHEREAS, the terms of this Second Amendment and Restatement is effective on July 1, 2023, and applies until June 30, 2025.

NOW, THEREFORE, the parties agree as follows:

1. The parties have restated its base Agreement along with all amendments previously made to the Agreement.
2. As modified by this Second Amendment and Restatement, the parties agree to the terms and conditions of the Agreement.
3. In the event of any conflict between this Second Amendment and Restatement, and any previous Agreements and Amendments, this Second Amendment and Restatement shall prevail.

TABLE OF CONTENTS

	Page
ADMINISTRATIVE SERVICE AGREEMENT	3
1. Effective Date of Plan Year	3
2. Definitions	3-6
3. SHP Obligations	6-9
4. Plan Administrator Obligations	9-11
5. Privacy Use and Disclosure Responsibilities	11-17
6. Fees and Charges	18-19
7. Final Accounting	19-21
8. Term and Termination of Agreement	22
9. Provider Network Discount Programs	22-24
10. Rebate Payment	24
11. General Provisions	25-29
12. Dispute and Indemnification	29-31
13. Documents Necessary to Effectuate the Agreement	31
14. Signature Page	32

EXHIBITS (Attachments)

Exhibit A: Certificate of Insurance, Summary of Benefit Coverage

Exhibit B: Health Plan Performance Guarantees

Exhibit C: Premium Rate Structure Table

Exhibit D: Illustration of Plan Administrator Settlement Process

Exhibit E: Pharmacy Disease Management Program Obligations

Exhibit G: Wellness Benefit Program Obligations

Exhibit H: Business Associate Agreement

Exhibit I: HSA Administration Services Agreement

ADMINISTRATIVE SERVICE AGREEMENT

This Administrative Service Agreement ("Agreement") is entered into between the State of North Dakota, acting through its Public Employees Retirement System ("the Plan Sponsor"); the North Dakota Public Employees Retirement System (NDPERS) ("the Plan Administrator"); and Sanford Health Plan, a South Dakota non-profit corporation ("SHP").

WHEREAS, the Plan Sponsor has established and maintains a fully insured group health plan (the "Plan") which provides, among other things, various benefits to Members in the Plan, as set forth in the Certificate of Insurance provided to plan Members. The Plan Administrator is the administrator of the Plan established through this Agreement.

WHEREAS, in consideration of payment of required premium and acceptance of membership applications, SHP enters into this Agreement with the Plan Sponsor and the Plan Administrator. SHP agrees to provide plan Members the benefits set forth in the Certificate of Insurance, in accordance with its terms and conditions.

WHEREAS, the Plan Administrator is the sole party with authority to make plan design changes to the Plan.

WHEREAS, SHP is an affiliate of Sanford, a North Dakota non-profit organization and integrated delivery system; however, SHP and Sanford maintain a firewall such that (i) SHP maintains a team that negotiates participating provider agreements with hospitals, physicians and other providers, (ii) Sanford provider entities maintain a team that negotiates agreements with third party payors, and (iii) fee schedules, discounts, pricing and other competitively sensitive data are not shared between those teams.

The terms of this Agreement are as follows:

1. EFFECTIVE DATE AND PLAN YEAR

This Agreement is effective July 1, 2023, through June 30, 2025, unless terminated as provided.

The Plan Administrator may renew this Agreement upon satisfactory completion of the initial Agreement Term. Plan Administrator reserves the right to execute up to one (1) option to renew this Agreement under the same terms and conditions for a period of twenty – four (24) months each.

For the purposes of the costs of any and all benefits and services extended through this Benefit Plan, including the implementation of any benefit changes required under federal or state law, the Plan Administrator agrees that the Plan Year shall commence on July 1, unless it is terminated by one of the parties as specified in Section 8. TERM AND TERMINATION OF AGREEMENT.

2. DEFINITIONS

This section defines the terms used in this Agreement.

- A. CERTIFICATE OF CREDITABLE COVERAGE – a certificate disclosing information relating to an individual’s creditable coverage under a health care benefit program for purposes of reducing any preexisting condition waiting period imposed by any group health plan coverage.
- B. CLAIM – notification in a form acceptable to SHP that service has been provided or furnished to a Member.
- C. DRG – shall mean diagnostic related groups.
- D. DATA AGGREGATION – the combining of Protected Health Information that SHP creates or receives for or from the Plan for or from other health plans or health care providers for which SHP is acting as a business associate to permit data analysis that relate to Health Care Operations of the Plan and those other health plans or providers.
- E. FEES AND CHARGES – the amounts the Plan Administrator must pay SHP for the administrative services described in Section 6.
- F. HEALTH CARE OPERATIONS – any of the activities of a health plan to the extent the activities relate to functions that make it a health plan.
- G. HEALTH CARE PROVIDER – any eligible provider that has provided care, diagnosis, or treatment to or for a Member for which benefits are sought under the Plan.
- H. HEALTH CLUB/WELLNESS CREDIT PROGRAM – means a member-based fitness center reimbursement and wellness (points) reward program.
- I. HSA PROGRAM – means the Health Savings Account Program administered by SHP through a subcontractor pursuant to the terms and conditions of a separate agreement between SHP and NDPERS and acknowledged by said subcontractor.
- J. MEMBER - the Subscriber and any eligible dependent of a Subscriber who is enrolled in the Plan. The term also includes eligible employees of other governmental units as permitted by state law.
- K. PARTICIPATING PROVIDER - A healthcare provider who, under a contract with SHP, or with its contractor or subcontractor, has agreed to provide health care services to Members with an expectation of receiving payment, other than coinsurance, copays, or deductibles, directly or indirectly, from the Plan.

- L. PAYMENT - activities undertaken to obtain premiums, determine or fulfill coverage and benefits, or obtain or provide reimbursement for health care services.
- M. PHARMACY BENEFITS MANAGER (PBM) - shall mean OptumRx, Inc., or such other pharmacy benefits manager as is engaged by SHP after prior consultation with NDPERS. Said PBM is responsible for maintaining the network of participating pharmacies.
- N. PHARMACY DISEASE MANAGEMENT PROGRAM – shall mean the diabetes disease management program through which Members receive services and support provided by the North Dakota Pharmacy Service Corporation, which program is jointly administered by NDPERS and SHP hereunder.
- O. PLAN ADMINISTRATOR –North Dakota Public Employees Retirement System (NDPERS) is the administrator of the Plan with all of the duties and responsibilities applicable to plan administrators, including but not necessarily limited to compliance with any and all administrative, reporting, and disclosure requirements. SHP is not the Plan Sponsor or the Plan Administrator of the Plan and is not responsible for any of the duties assigned to the Plan Sponsor or the Plan Administrator by the terms of the Plan, or by this Agreement.
- P. PLAN SPONSOR –The State of North Dakota, acting through its Public Employees Retirement System (NDPERS) is the Plan Sponsor of an employee benefit plan established under NDCC Ch. 54-52.1.
- Q. PROTECTED HEALTH INFORMATION (PHI) – individually identifiable health information, including summary and statistical information, collected from or on behalf of a Member that is transmitted by or maintained in electronic media, or transmitted or maintained in any other form or medium and that:
 - a. is created by or received from a Health Care Provider, health care employer, or health care clearinghouse;
 - b. relates to a Member's past, present or future physical or mental health or condition;
 - c. relates to the provision of health care to a Member;
 - d. relates to the past, present, or future payment for health care to or on behalf of a Member; or
 - e. identifies a Member or could reasonably be used to identify a Member.
 - f. educational records and employment records are not considered PHI under federal law.
- R. SANFORD HEALTH PLAN (SHP) - is a health maintenance organization that provides fully-insured, prepaid group health care and pharmacy benefits through an organized health care delivery system.

- S. SECURITY INCIDENT - any attempted or successful unauthorized access, use, disclosure, modification, or destruction of a Member's electronic PHI or interference with SHP's system operations in SHP's information systems.
- T. STANDARD TRANSACTIONS - health care financial or administrative transactions conducted electronically for which standard data elements, code sets and formats have been adopted in accordance with federal or state law.
- U. SUBSCRIBER - any eligible employee of the Plan Sponsor, employee of a participating employer or other eligible individual as prescribed by NDCC CH. 54-52.1 whose application for membership has been accepted, whose coverage is in force with SHP and in whose name the ID Card is issued.
- V. SUCCESSFUL SECURITY INCIDENTS - Security Incidents that result in unauthorized access, use, disclosure, modification, or destruction of information or interference with system operations.
- W. UNSUCCESSFUL SECURITY INCIDENTS - Security Incidents that do not result in unauthorized access, use, disclosure, modification, or destruction of information or interference with system operations.
- X. WELLNESS BENEFIT PROGRAM – shall mean the NDPERS employer-based Wellness Benefit Program related to health and wellness promotion for Members under which funding is made available to State agencies or political subdivisions, as jointly administered by NDPERS and SHP hereunder.

3. SHP SHALL: Establish a membership record for existing Members containing information as provided by NDPERS

- 3.1 Provide Identification Cards, Certificates of Insurance, Summary of Benefits and Coverage and Member Handbooks (paper and/or electronic, as reasonably agreed by the parties).
- 3.2 Provide the Health Plan Performance Guarantees, as outlined in Exhibit B.
- 3.3 Receive enrollment file for late entrants who enroll outside of the Plan's annual open enrollment period as part of a special election (for qualifying events) as defined in the Plan Sponsor's Group Health Insurance Eligibility and Enrollment Guidelines and ND Administrative Rules.
- 3.4 Provide Prospective Review/Prior Authorization services in accordance with appropriate licensure and certification requirements; such services to be provided by a dedicated staff person.

- 3.5 Provide a dedicated service unit to adjudicate all claims and respond to Member's inquiries. Provide toll-free Member and Health Care Provider service lines between the hours of 8 AM and 5:30 PM CST at the office(s) in North Dakota, as appropriate. A toll-free Prospective Review/Prior Authorization line for Health Care Providers will also be available between the hours of 8:00 AM and 5:00 PM CST. During nonbusiness hours, answering machine services will be available for Prospective Review/Prior Authorization calls.
- 3.6 Process claims and inquiries for all members, including claims from non-participating providers.
- 3.7 Correspond with the Members and Health Care Providers if additional information is deemed necessary by SHP to complete the administrative process.
- 3.8 Administer third party liability programs.
- 3.9 Provide to Members an Explanation of Benefits Statement.
- 3.10 Provide a procedure for detection of fraud and unlawful activity.
- 3.11 Offer Members an individual policy when application is made within 31 days of the termination of enrollment under NDPERS and Member resides in SHP's service area where SHP is licensed to sell an individual policy.
- 3.12 Provide assistance to NDPERS for the conduct of enrollment, servicing and education.
- 3.13 NDPERS shall provide SHP with the scope and requirements of any audit or review prior to the commencement of activities. If a sample of claims is required, SHP will provide or NDPERS will select statistically valid computerized sample of claims, if not prohibited by law, regulations, or rule.

NDPERS will provide a copy of the report of all audit or review findings and shall discuss the findings with SHP upon discovery to allow further investigation or implementation of corrective action.
- 3.14 Provide NDPERS with reporting to include but not limited to:
 - a. Annual group reporting of membership and utilization by group segments and product.
 - b. Estimates of future claim reserves and premium to claim ratio.

- c. Such other special claims reports as requested from time-to-time by NDPERS, subject to the availability of data and appropriate cost considerations.
- d. Interest calculation monthly report, including supporting documentation as reasonably requested.
- e. Performance objectives as described in Exhibit B of this Agreement.

3.15 Provide NDPERS with claims specific data on a monthly basis in agreed upon medium. This information shall be in a format acceptable to NDPERS and subject to all federal and state laws on confidentiality and open records; and provide at least monthly to any NDPERS designated third party administrator of a pretax benefits program, for purposes of claim reimbursement for any member pretax medical spending account, an electronic claims data file as reasonably requested, such file to include at least the following: member eligibility and demographic information, provider/pharmacy demographic information (i.e. NPI), applicable member liability (i.e. copay, deductible, and coinsurance), and prescription NDC number.

3.16 Provide support to NDPERS for the establishment of a Preferred Provider Network consistent with objectives established by NDPERS. SHP shall determine Participating Provider eligibility in accordance with its policies and accreditation standards.

SHP will provide technical and administrative advice to NDPERS relative to the appropriateness of PPO arrangements for the Plan. SHP shall pursue in good faith participating provider agreements with those providers who were historically in the NDPERS PPO but are not currently SHP Participating Providers. The parties agree that participation and reimbursement information

- a. may contain trade secret, proprietary, commercial, and financial information under ND Cent. Code 44-04-18.4 or any other applicable law. To the extent that NDPERS determines that such information is confidential under applicable state law, NDPERS shall maintain the confidentiality of the same. Further, NDPERS shall notify SHP of any request for release of information and, upon NDPERS' determination to release, shall allow SHP a reasonable opportunity to respond prior to disclosure, upon request. The duty of NDPERS to maintain the confidentiality of information under this section continues beyond the term of this Agreement as is commercially reasonable.
- b. SHP will enforce strict Prospective Review/Prior Authorization, utilization review and quality assurance

criteria to assure attainment of Preferred Provider program objectives.

- c. SHP will, upon NDPERS reasonable direction, terminate a Provider's NDPERS PPO participation agreement in accordance with terms of the agreement, when a PPO Provider is noncompliant with NDPERS/SHP policies and procedures. Said policies and procedures shall be documented and communicated to the Participating Provider prior to implementation.
- 3.17 Neither SHP nor its contracted PBM will engage in any practice that effectively reduces network pharmacy reimbursement for medication cost and dispensing fees when such reimbursement claims have been properly submitted by a network pharmacy at the time of adjudication. Such practices include directing a contractor, such as a PSAO, to engage in such a practice. SHP will include language in its PBM (and PSAO, if applicable) contracts explicitly prohibiting the aforementioned practices.
- 3.18 Jointly administer the Pharmacy Disease Management Program, and Wellness Benefit Program substantially in accordance with Exhibit E, and Exhibit G, respectively.
- 3.19 Reasonably respond to requests for service meetings from NDPERS administration or its Board upon request.
- 3.20 SHP shall maintain a risk-based capital level of 300%.

4. NDPERS SHALL:

- 4.1 Prepare and distribute monthly billings to participating employers and retirees participating in the Plan. NDPERS shall respond to the participating employer's inquiries concerning eligibility rules, billing, etc.
- 4.2 Prepare weekly eligibility file by participating employer and premium classification for both active and retired employees and provide the file to SHP to be used for eligibility certification purposes. Along with the eligibility file, NDPERS will furnish a full-file listing of participants (incorporating additions or terminations during the month). Such listing will reflect the name of the employee, dependents, Social Security Number, the effective date of coverage for a new employee or the termination date of a terminated employee and the coverage classification. NDPERS will submit enrollment, billing and premium remittance via a centralized electronic system. NDPERS will provide enrollment/eligibility information on a data file that follows the HIPAA 834 file specifications and SHP's companion guide.

Premium payment information will be provided on a data file that follows the HIPAA 820 file specifications. Files will be transmitted using a mutually agreed upon secure file transmission process.

- 4.3 Use best efforts to notify SHP of terminated members no later than 30 days after the event that rendered the Member ineligible for coverage. Regardless of whether or not NDPERS provides notice to SHP of the terminated Member, SHP intends to recoup payments for all paid claims from applicable providers incurred after the last date of eligibility. It then becomes the duty and discretion of said providers to bill the Member accordingly. Similarly, SHP intends to recoup from terminated Members prescription claims paid after the last date of eligibility.
- 4.4 Provide enrollment files, obtain completed classifications or addresses, etc. from participants and furnish SHP with enrollment files or request for coverage or address changes and retain the original copy.
- 4.5 Be responsible for the administration of and compliance with COBRA or State-mandated continuation of coverage. SHP will forward requests for COBRA or State law continuation of coverage participation by membership to NDPERS upon notification.
- 4.6 Comply with SHP's established administrative policies which are reasonable and consistent with the NDPERS Health Plan, and the bid specifications agreed to by the parties, including, but not limited to: enrollment and eligibility policies, standard adjudication and Medical Policy Guidelines, Payable Provider Guidelines, Prospective Review/Prior Authorization Guidelines and claim payment procedures as such materials are modified from time to time.
- 4.7 Pay premiums to SHP according to the schedule in Section 6.
- 4.8 NDPERS acknowledges that the administration of the Benefit Plan that is the subject of this Agreement may be subject to regulation under federal and/or state law. NDPERS agrees to furnish SHP with any and all information necessary to comply with any applicable federal and/or state laws and to certify that this information is accurate. If there are any changes in the employer contribution rate for benefits and services available under this Agreement, NDPERS agrees that it is its obligation to provide information related to the change in contribution rates immediately to SHP.
- 4.9 NDPERS agrees to timely provide the information as specified in Section 3.1.

- 4.10 Perform those functions or duties regarding the Pharmacy Disease Management Program, and Wellness Benefit Program substantially in accordance with Exhibit E, and Exhibit G, respectively.
- 4.11 NDPERS will provide electronic 834 compliant files from the Plan Administrator to maintain accurate membership records of Members.

5. PRIVACY USE AND DISCLOSURE RESPONSIBILITIES

5.1 RESPONSIBILITIES OF SHP

A. Privacy of Protected Health Information (PHI)

1. SHP will keep confidential all Claim records and all other PHI that SHP creates or receives in the performance of its duties under this Agreement. Except as permitted or required by this Agreement for SHP to perform its duties under this Agreement, SHP will not use or disclose such Claim information or other PHI without the authorization of the Member who is the subject of such information or as required by law.
2. SHP will neither use nor disclose Members' PHI (including any Members' PHI received from a business associate of the Plan) except (1) as permitted or required by this Agreement, (2) as permitted in writing by the Plan Administrator, (3) as authorized by Members, (4) in accordance with the Business Associate Agreement ("BAA") between the parties materially in form and substance provided in Exhibit H hereto, or (5) as required by law.
3. SHP will be permitted to use or disclose Members' PHI only as follows:
 - a. SHP will be permitted to use and disclose Members' PHI (a) for the management, operation and administration of the Plan the Plan Administrator offers Members, and (b) for the services set forth in the Plan, which include
Payment Activities, Health Care Operations, and Data Aggregation as these terms are defined under federal law.
 1. SHP will be permitted to use Members' PHI as necessary for SHP's proper management and

administration or to carry out SHP's legal responsibilities.

2. SHP will be permitted to disclose Members' PHI as necessary for SHP's proper management and administration or to carry out SHP's legal responsibilities only if (i) the disclosure is required by law, or (ii) before the disclosure, SHP obtains from the entity to which the disclosure is to be made reasonable assurance, evidenced by a written contract, that the entity will hold Members' PHI in confidence, use or further disclose Members' PHI only for the purposes for which SHP disclosed it to the entity or as required by law, and notify SHP of any instance the entity becomes aware of where the confidentiality of any Members' PHI was breached as required by 45 CFR 164.410.
 - b. SHP will make reasonable efforts in accordance with its written privacy policies and procedures to use, disclose, or request only the minimum necessary amount of Members' PHI to accomplish the intended purpose. SHP will make its written privacy policies and procedures available to the Plan Sponsor.
4. Other than disclosures permitted by Section 5.1(A)3, SHP will not disclose Members' PHI to the Plan Administrator or to the Plan's business associate except as directed by the Plan Administrator in writing and as permitted by applicable law.
5. SHP will require each subcontractor and agent to which SHP is permitted by this Agreement or in writing by the Plan Administrator to disclose Members' PHI to provide reasonable assurance, evidenced by written contract, that such other entity will comply with the same privacy and security obligations with respect to Members' PHI as this Agreement applies to SHP.
6. SHP will report to the Plan Administrator any use or disclosure of Members' PHI not permitted by this Agreement, including incidents that constitute breaches of unsecured PHI as required by 45 CFR 164.410. SHP will make any such report to the Plan Administrator after SHP learns of such nonpermitted use or disclosure.
7. SHP will report to the Plan Administrator attempted or successful unauthorized access, use, disclosure, modification or destruction of a Member's electronic PHI

or interference with SHP's system operations in SHP's information systems ("Security Incident"), of which SHP becomes aware. With regard to attempted unauthorized access, use, etc., SHP and the Plan Administrator recognize and agree that the significant number of meaningless attempts to, without authorization, access, use, disclose, modify or destroy electronic PHI will make real-time reporting formidable. Therefore, SHP and the Plan Administrator agree to the following reporting procedures for Security Incidents that result in unauthorized access, use, disclosure, modification, or destruction of information or interference with system operations ("Successful Security Incidents") and for Security Incidents that do not so result ("Unsuccessful Security Incidents").

For Unsuccessful Security Incidents, SHP and the Plan Administrator agree that this Agreement constitutes notice from SHP of any such Unsuccessful Security Incidents. In other words, the Plan Administrator waives any separate notice of Unsuccessful Security Incidents. By way of example, SHP and the Plan Administrator consider the following to be illustrative of Unsuccessful Security Incidents when they do not result in unauthorized access, use, disclosure, modification, or destruction of a Member's electronic PHI or interference with an information system.

1. Pings on SHP's firewall,
2. Port scans,
3. Attempts to log on to a system or enter a database with an invalid password or username,
4. Denial-of-service attacks that do not result in a server being taken off-line, and
5. Malware (e.g., worms, viruses).

For Successful Security Incidents, SHP shall give notice promptly to the Plan Administrator in the event a Member's electronic PHI was compromised.

8. Disposition of Protected Health Information

The parties agree that upon termination, cancellation, expiration or other conclusion of this Agreement, SHP will return or destroy all PHI received or created by SHP on

the Plan Administrator's behalf as soon as feasible. Due to various regulatory and legal requirements, the Plan Administrator acknowledges that immediate return or destruction of all such information is not feasible. SHP agrees that upon conclusion of this Agreement for any reason, it will use or disclose the PHI it received or created on the Plan's behalf only as necessary to meet SHP's regulatory and legal requirements and for no other purposes unless permitted in writing by the Plan Administrator. SHP will destroy PHI received or created by SHP on the Plan Administrator's behalf that is in SHP's possession under such circumstances and upon such schedule as SHP deems consistent with its regulatory and other legal obligations.

These responsibilities agreed to by SHP and related to protecting the privacy and safeguarding the security of PHI, as well as any terms directly related thereto, shall survive the termination of this Agreement and, where applicable, shall govern SHP's receipt, use or disclosure of PHI pursuant to the terms of this Agreement.

9. To the extent SHP is to carry out one or more of Plan Administrator's obligations under the HIPAA Privacy Regulations, it shall comply with the requirements of the Privacy Regulations that apply to the Plan Administrator in the performance of such obligations.

B. Access, Amendment and Disclosure Accounting for Protected Health Information

1. Upon the Plan Administrator's written request, SHP will make available for inspection and obtaining copies by the Plan Administrator, or at the Plan Administrator's direction by the Member (or the Members' representative), any PHI about the Member created or received for or from the Plan Administrator in SHP's custody or control so the Plan Administrator may meet its access obligations under federal law.
2. Upon receipt of a written request from the Plan Administrator, or at the Plan Administrator's direction by the Member (or the Members' representative), SHP will amend or permit the Plan Administrator access to amend any portion of the

PHI created or received for or from the Plan Administrator in SHP's custody or control, so the Plan Administrator may meet its amendment obligations under federal law.

3. The Plan Administrator may meet its disclosure accounting obligations under federal law or state law, SHP will do the following:
 - a. SHP will record each disclosure of Members' PHI which is not excepted from disclosure accounting under Section 5.1(B) 3.b, that SHP makes to the Plan Administrator or to a third party.

The information about each disclosure that SHP must record ("Disclosure Information") is (i) the disclosure date, (ii) the name and (if known) address of the person or entity to whom SHP made the disclosure, (iii) a brief description of the PHI disclosed, and (iv) a brief statement of the purpose of the disclosure.

For repetitive disclosures of Members' PHI that SHP makes for a single purpose to the same person or entity (including the Plan Administrator), SHP may record (i) the disclosure information for the first of these repetitive disclosures, (ii) the frequency, periodicity or number of these repetitive disclosures, and (iii) the date of the last of these repetitive disclosures.

- b. SHP will not be required to record disclosure information or otherwise account for disclosures of Members' PHI that this Agreement or the Plan Administrator in writing permits or requires:
 - (1) for Payment Activities or Health Care Operations,
 - (2) to the Member who is the subject of the PHI or to that Members' personal representative,
 - (3) to persons involved in that Members' health care or payment for health care, as provided under federal law,
 - (4) for notification for disaster relief purposes or national security or intelligence purposes as provided under federal law,
 - (5) to law enforcement officials or correctional institutions regarding inmates,
 - (6) for incidental uses or disclosures,
 - (7) as part of a limited data set in accordance with federal law,
 - (8) that occurred prior to the HIPAA Privacy Compliance Date,

- (9) pursuant to a valid authorization, or (10) as may be required by law.
- c. SHP will have available for the Plan Administrator the disclosure information required by Section 5.1(B) 3.a. for the six (6) years immediately preceding the date of the Plan Administrator's request for the disclosure information.
- d. Upon the Plan Administrator's written request, SHP will make available to the Plan Administrator, or at the Plan Administrator's direction to the Member (or the Member's representative), disclosure information regarding the Member so the Plan Administrator may meet its disclosure accounting obligations under federal law.

C. Information Safeguards

1. SHP will maintain reasonable and appropriate administrative, technical, and physical safeguards to protect the privacy of Member PHI. The safeguards must reasonably protect Member PHI from any intentional or unintentional use or disclosure in violation of federal law and limit incidental uses or disclosures made pursuant to a use or disclosure otherwise permitted by this Agreement.
2. SHP will implement administrative, technical, and physical safeguards that reasonably and appropriately protect the confidentiality, integrity, and availability of electronic PHI SHP creates, receives, maintains, or transmits on behalf of the Plan Administrator as required by federal law.

D. Inspection of Books and Records

SHP will make its internal practices, books, and records relating to its use and disclosure of PHI created or received for or from the Plan Administrator available to the Plan Administrator and to the U.S. Department of Health and Human Services to determine compliance with federal law or this Agreement.

E. Plan Disclosures

SHP will prepare and distribute a notice of privacy practices appropriate for the Plan to meet its notice obligations under federal law. The Plan Administrator authorizes SHP to

disclose the minimum necessary PHI to the Plan Sponsor for plan administration functions specified in the Plan documents as amended.

- F. Information Privacy and Safeguard Provisions Survive Termination of Agreement. These responsibilities agreed to by SHP and related to protecting the privacy of PHI, as well as any terms directly related thereto, shall survive the termination of this Agreement and where applicable, shall govern SHP's receipt, use and disclosure of PHI obtained pursuant to the terms of this Agreement.

5.2 RESPONSIBILITIES OF THE PLAN SPONSOR

- A. The Plan Sponsor retains full and final authority and responsibility for the Plan and its operation. SHP is empowered to act on behalf of the Plan only as stated in this Agreement or as mutually agreed in writing by the Plan Sponsor and SHP.
- B. Except with respect to services provided by SHP set forth in this agreement, the Plan Sponsor will have the sole responsibility for and will bear the entire cost of compliance with all federal, state and local laws, rules, and regulations concerning the privacy of PHI, including any licensing, filing, reporting, and disclosure requirements, which may apply to the Plan. SHP will have no responsibility for the Plan's compliance or noncompliance with any applicable federal, state, or local law, rule, or regulation that the Plan Sponsor is responsible for under this subsection.

By executing this Agreement, the Plan Sponsor certifies to SHP that it has amended the Plan documents to incorporate the provisions required by and under federal law and agrees to comply with the Plan Administrator's plan documents as amended. SHP may rely on Plan Sponsor's certification and Plan Administrator's written authorization and will have no obligation to verify (1) the Plan Administrator's plan documents have been amended to comply with the requirements of federal law or this Agreement or (2) the Plan Sponsor is complying with the Plan Administrator's plan document as amended.

- C. For any high deductible health plan offered by the Plan Sponsor, the Plan Sponsor assumes sole responsibility for determining whether the Plan qualifies as a high deductible health plan under Section 223(c)(2) of the U.S. Internal

Revenue Code. SHP MAKES NO WARRANTY, EXPRESS OR IMPLIED, INCLUDING, BUT NOT LIMITED TO, ANY IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE REGARDING THE PLAN.

For any high deductible health plan offered by the Plan Sponsor, SHP does not provide legal or tax advice, and expressly disclaims responsibility for determining, on behalf of any individual or group, the legal and tax implications of: (1) establishing a health savings account; (2) eligibility for a health savings account; (3) the contributions made to a health savings account; (4) the deductibility of contributions to a health savings account; and (5) withdrawals from a health savings account and related taxation.

6. FEES AND CHARGES:

- 6.1 SHP agrees to the provisions and premium rates, for the Effective Date of this Agreement, in the attached Premium Rate Structure Table (Exhibit C).
- 6.2 SHP and NDPERS agree to the Health Plan Performance Guarantees, as outlined in the attached Exhibit B.
- 6.3 NDPERS will use best efforts to pay SHP, on or before the twentieth day of each month (but not later than the last day of the month), for the current month's premium income based on the amount identified in Exhibit C.

NDPERS will also maintain funds in a Programs Cash Reserve Account held by SHP for purposes of funding the Pharmacy Disease Management Program, the Wellness Benefit Program and any other programs funded outside of premium. NDPERS will maintain a balance reasonably estimated to anticipate experience of such programs. This Programs Cash Reserve Account shall earn interest at a rate to be determined monthly, based on US Treasury Notes quoted by the Wall Street Journal. The monthly rate will be established at the close of the first trading day each month based on the closing yield to maturity of US Treasury Notes maturing 24 months hence. If there are multiple notes for that maturity, the rate will be based on an average. If there are no notes with that maturity, the next subsequent maturity will be used.

- 6.4 SHP will retain any surplus funds from the amounts identified as such in a schedule to the Premium Rate Table attached as Exhibit C. Surplus funds retained by SHP shall earn interest at a rate to be determined monthly, based on US Treasury Notes quoted by the Wall Street Journal. The monthly rate will be established at the close of the first trading day each month based

on the closing yield to maturity of US Treasury Notes maturing 24 months hence. If there are multiple notes for that maturity, the rate will be based on an average. If there are no notes with that maturity, the next subsequent maturity will be used.

Surplus funds described in the above section 6.5 not used by SHP to pay NDPERS Health Plan incurred claims plus retention will be subject to the Final Accounting as described in Section 7 of this Agreement.

- 6.5 In the event any Federal or State authority imposes any changes to plan design, plan benefits or other mandate affecting the Plan, SHP and NDPERS shall reasonably cooperate to anticipate material increased expenses or other material effects and negotiate in good faith to incorporate consequent premium rate or other contractual changes. In the event the parties are unable to reach agreement, either party may terminate this Agreement pursuant to Section 8.2(b) hereof. SHP reserves the right to adjust premium rates, with a 90-day notice, for any such changes in taxes and/or benefits imposed upon SHP for the NDPERS health plan. SHP further reserves the right to adjust premium rates for any health plan design, plan benefit changes or other mandates imposed by the STATE or Federal legislative action or NDPERS Board mandate when such changes become effective.

7. FINAL ACCOUNTING

- 7.1 A continual accounting of NDPERS Health Plan experience will take place during the 2021-2023 biennium. Monthly reports of earned income less incurred claims and retention will be produced during the biennium and the twenty-four months following the biennium.
- 7.2 Within 31 days of 12 months after the end of the biennium (by July 31, 2026) SHP will provide an accounting which will result in an initial settlement of the biennium agreement as follows:
1. Earned Premium Income (net of the NDPERS \$2.80 PCPM retention fee) during the Biennium.
 2. Plus, interest on Surplus Funds.
 3. Less Claims Incurred during the Biennium and paid July 1, 2023 - June 30, 2025. These include:
 - Claims paid directly through SHP's claims system
 - Any capitated payments for medical services
 - Payments/receivables to/from providers for value-based contracts

- Direct fee for service payments outside SHP’s claims system
4. Less Estimated Claims Incurred and unpaid on June 30, 2026, as calculated using standard actuarial completion factors.
 5. Less non-claims system claims cost reduction expense. This includes:
 - Network access fees: Whereby SHP accesses deeper discounts than a direct contract thereby lowering total claims costs.
 - Subrogation fees: Whereby SHP reimburses a portion of the claim recouped by our subrogation partner.
 - Claims payment integrity reviews: Whereby incentive based contracts lower total claims cost with a percentage of the savings paid to our contracted partner.
 6. Less Administrative Expense during the Biennium (\$64.08 per PPO contract per month and \$11.77 per Medicare contract per month). This fee is inclusive of the Wellness program expenses and service charges for reinsurance that had been itemized in prior biennium.
 7. If 1+2-3-4-5-6 of 7.2 is positive, the lesser of 50% of this amount or \$1.5 million is retained by SHP. The remainder equals Refund paid to NDPERS.
 8. Within 62 days of 12 months after the end of the biennium (by August 31, 2025) refunds will be paid to NDPERS as defined by 7.2.
- 7.3 Within 31 days of 24 months after the end of the biennium (by July 31, 2027) SHP will provide an accounting which will result in a final settlement of the biennium agreement as follows:
1. Earned Premium Income (net of the NDPERS \$2.80 PCPM retention fee) during the Biennium.
 2. Plus, interest on Surplus Funds.
 3. Less Claims Incurred during the Biennium and paid July 1, 2023 – June 30, 2025. These include:
 - Claims paid directly through SHP’s claims system
 - Any capitated payments for medical services

- Payments/receivables to/from providers for value-based contracts
 - Direct fee for service payments outside SHP's claims system
4. Less Estimated Claims Incurred and unpaid on June 30, 2027, as calculated using standard actuarial completion factors.
 5. Less non-claims system claims cost reduction expense. This includes:
 - Network access fees: Whereby SHP accesses deeper discounts than a direct contract thereby lower lowering total claims costs.
 - Subrogation fees: Whereby SHP reimburses a portion of the claim recouped by our subrogation partner.
 - Claims payment integrity reviews: Whereby incentive based contracts lower total claims cost with a percentage of the savings paid to our contracted partner.
 6. Less Administrative Expense during the Biennium (\$64.08 per PPO contract per month and \$11.77 per Medicare contract per month). This fee is inclusive of the Wellness program expenses and service charges for reinsurance that had been itemized in prior biennium.
 7. If 1+2-3-4-5-6 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. If applicable, the final settlement amount will be net of initial settlement payments
 8. Within 62 days of 24 months after the end of the biennium (by August 31, 2025), the final settlement will be paid to NDPERS as defined by 7.2 and 7.3. Sample illustrations of Sections 7.2 and 7.3 are attached as Exhibit D.

8. TERM AND TERMINATION OF AGREEMENT

- 8.1 The term of this Agreement shall be for a two-year period from July 1, 2023, to June 30, 2025.

- 8.2 This Agreement may be terminated by mutual agreement of both parties, upon 60 days' notice, in writing.

Either party may terminate this Agreement effective 90 days following delivery of written notice to the other party, or at such later date as may be stated in the notice, under any of the following conditions:

- a. 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. The Agreement may be modified by agreement of the parties in writing to accommodate a reduction of funds.
- b. If federal or state laws, rules or regulations are modified, changed or interpreted in such 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.
- c. If any license, permit or certificate required by law, rule or regulation, or by the terms of this Agreement, is for any reason denied, revoked, suspended or not renewed.

Any such termination of this Agreement shall be without prejudice to any obligations or liabilities of either party already accrued prior to such termination.

- d. In the event of a breach by either party, other than for nonpayment of premium, the other party may terminate this Agreement by written notice to the breaching party. The breaching party has 31 days to fully cure the breach. If the breach is not cured within 31 days after written notice, this Agreement will immediately terminate.

9. PROVIDER NETWORK DISCOUNT PROGRAMS

SHP has a variety of relationships with regional and national PPO discount Programs. Whenever a Member accesses health care services outside of the geographic area SHP serves, the claim for those services may be processed through one of these discount Programs and presented to SHP for payment in accordance with the rules of the discount program policies then in effect. The discount programs available to Members under this Agreement are described generally below.

Typically, when accessing care outside the SHP service area, a Member will obtain care from health care providers that have a contractual agreement (i.e., "participating agreement") with the discount program. In some instances, a Member may obtain care from health care providers

who have not entered into a "participating agreement" with SHP directly. SHP payment practices in both instances are described below.

A. Regional and National Network Discount Program

When Members access health care services outside the geographic area served by SHP, SHP will adjudicate claims with the health care providers who have entered a "participating agreement" with any one of SHP's discount network programs (participating health care providers). The financial terms of the Regional or National Network Discount Program are described below. Individual circumstances may arise that are not directly covered by this description; however, in those instances, SHP's action will be consistent with the spirit of this description.

Liability Calculation Method Per Claim - The calculation of Member liability on claims for Covered Services processed through the Regional or National Network Discount Program will be based on the negotiated price made available to SHP by the Regional or National Network Discount program.

The Regional or National Network discount program may use various methods to determine a negotiated price, depending on the terms of each health care provider contracts. The negotiated price made available to SHP represents a payment negotiated by a Regional or National Network discount program with a health care provider. The difference between the applicable contract rate and the participating provider's billed charges is the discount amount.

The amount paid by the Member is a final price; no future price adjustment will result in increases or decreases to the pricing of past claims.

Should the state in which health care services are accessed mandate liability calculation methods that differ from the negotiated price methodology or require a surcharge, SHP would then calculate the Member's liability in accordance with applicable law.

Return of Overpayments - recoveries from participating health care providers can arise in several ways, including, but not limited to, anti-fraud and abuse recoveries, provider/hospital audits, credit balance audits, utilization review refunds, and unsolicited refunds. In some cases, SHP will engage third parties to assist in discovery or collection of recovery amounts. The fees of such a third party may be netted against the recovery. Recovery amounts determined in this way will be applied in accordance with applicable SHP policies, which generally require correction on a claim-by-claim or prospective basis.

B. Nonparticipating Providers Outside the SHP Service Area

When Covered Services are provided outside of SHP's service area by health care providers who have not entered into a "participating agreement" with SHP or SHP- contracted Regional or National Network Discount Programs (nonparticipating health care providers), the amount the Member pays for such services will be based on SHP's maximum allowed amount, which is the lesser of (a) the amount charged for a covered service or supply, or (b) reasonable costs as established by SHP or its Regional or National Network Discount Programs. Members are responsible for any difference between the amount charged and SHP's payment for covered services unless the services fall under the No Surprises Act which became effective January 1, 2022. The No Surprises Act prohibits providers from billing the patient the difference between SHP's payment for Covered Services and the provider's share if the services relate to a medical emergency, air ambulance, or services rendered by a nonparticipating provider practicing at a participating facility.

In certain situations, SHP may pay claims based on the payment SHP would make if the Covered Services had been obtained within the SHP service area by a Participating Provider. Such situations include where a Member did not have reasonable access to a participating health care provider, as determined by SHP in its sole and absolute discretion or by applicable state law. SHP may also in its sole and absolute discretion, negotiate a payment with such a health care provider on an exception basis. In any of these situations, the Member may be responsible for the difference between the amount that the nonparticipating health care provider bills and payment SHP will make for the Covered Services as set forth in this paragraph.

10. REBATE PAYMENTS

Sanford Health Plan agrees that all rebates collected as a result of medication utilization is applied in two ways, both to reduce the cost of the agreement with NDPERS. First, the claim experience is reduced by the use of the savings caused by rebates, resulting in a premium reduction.

Second, rebate savings are used to reduce the member cost share paid by the member at the point of sale for all generic medications in the formulary.

11. GENERAL PROVISIONS

- 11.1 SHP 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. SHP retains sole and absolute discretion in the manner and means of carrying out SHP'S activities and responsibilities under This Agreement, except to the extent specified in this Agreement.

- 11.2 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:

- a. The terms of this Agreement as may be amended;
- b. State's Request for Proposal fully Insured Group Medical and Prescription; and
- c. SHP's Formal Health Insurance Proposal for 2021-2023 and all amendments thereto.

- 11.3 This Agreement shall be governed by and construed according to the laws of the State of North Dakota. Any action to enforce this Agreement must be adjudicated exclusively in the State District Court of Burleigh County, North Dakota.

- 11.4 Failure of either party at any time to require performance by the other party of any provision of this Agreement shall not be deemed to be a continuing waiver of that provision or a waiver of any other provision of this Agreement.

- 11.5 No assignment of this Agreement in whole or in part may be made by either party without written agreement approved by both parties. SHP may not assign or otherwise transfer or delegate any right or duty hereunder without NDPERS express written consent, or as otherwise set forth in this Agreement. However, SHP may enter into subcontracts for the provision of services under this Agreement provided that any subcontract acknowledges the binding nature of this Agreement and incorporates this Agreement, including any attachments. SHP is solely responsible for the performance of any subcontractor. Notwithstanding the foregoing, NDPERS acknowledges and agrees that SHP is a party to existing subcontracts with the PBM and other entities and may be bound

by, or subject to, exclusivity or other limiting provisions under such existing subcontracts. SHP does not have authority to contract for or incur obligations on behalf of the Plan Sponsor or Plan Administrator.

- 11.6 All notices and correspondence required or permitted to be given under this Agreement shall be given by personal delivery to the other party or may be sent by mail, postage prepaid to the other party at the following address:

North Dakota Public Employees Retirement System
PO Box 1657
Bismarck, North Dakota 58502

Sanford Health Plan
300 Cherapa Place, Suite 201
Sioux Falls, South Dakota 57103

- 11.7 Neither party shall be liable for any delay in or failure to perform under this Agreement due to an act of God or due to war mobilization, insurrection, rebellion, civil commotion, riot, act of an extremist or public enemy, sabotage, labor dispute, explosion, fire, flood, storm, accident, drought, equipment failure, power failure, fuel or energy shortages, unavoidable delay of carriers, embargo, law, ordinance, act, rule or regulation of any government, whether valid or invalid.

- 11.8 Scope of Services: SHP agrees, represents, and warrants, to provide the services as specified in this agreement, State's Request for Proposal Fully Insured Group Medical and Prescription, SHP's Formal Health Insurance Proposal for 2021-2023 and all amendments thereto; additionally, the parties agree to be bound by the terms contained in the following exhibits (incorporated by reference):

[The parties agree to negotiate in good faith to finalize the applicable exhibits and will execute an amendment to add a reference such exhibits here once they are finalized.]

- 11.9 SHP will prepare Summaries of Benefits and Coverage for distribution to applicants and Members by NDPERS so that SHP, the Plan and NDPERS may all satisfy related disclosure obligations under federal law. It shall be the sole responsibility of NDPERS to distribute the Summaries of Benefits and Coverage in accordance with federal law, and the Plan Administrator acknowledges and agrees that SHP will rely upon NDPERS for compliance with the requirements for distribution of the Summaries of Benefits and Coverage to applicants and Members.

- 11.10 When coverage under this Agreement is terminated, SHP will, within a reasonable period of time, issue a Certificate of Creditable Coverage to the Subscriber to the extent the certificate is required under state and/or federal law. Upon notification by the Subscriber of the ineligibility of a dependent, a Certificate of Creditable Coverage will be issued to the affected Member within a reasonable period of time. Certificates of Creditable Coverage may also be obtained from SHP upon request within 24 months after coverage is terminated. Certificates of Creditable Coverage will only reflect continuous coverage provided through SHP.
- 11.11 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.
- 11.12 ALTERNATIVE DISPUTE RESOLUTION – JURY TRIAL: Neither Plan Sponsor nor Plan Administrator 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. Neither Plan Sponsor nor Plan Administrator waive any right to a jury trial.
- 11.13 PAYMENT OF TAXES BY PLAN SPONSOR and ADMINISTRATOR: Neither Plan Sponsor nor Plan Administrator will pay local, state, or federal taxes. State sales tax exemption number is E-2001, and certificates will be furnished upon request by the Plan Administrator.
- 11.14 Upon the effective date of any final regulation or amendment to final regulations with respect to PHI, Standard Transactions, the security of health information or other aspects of the Health Insurance Portability and Accountability Act of 1996 applicable to this Agreement, this Agreement will automatically amend such that the obligations imposed on the Plan Sponsor, the Plan Administrator and SHP remain in compliance with such regulations, unless SHP elects to terminate this Agreement by providing the Plan Sponsor and the Plan Administrator notice of termination in accordance with this Agreement at least thirty-one (31) days before the effective date of such final regulation or amendment to final regulations.
- 11.15 The parties agree that all participation by Members in programs administered by NDPERS is confidential under North Dakota law. SHP may request and NDPERS shall provide directly to SHP upon such request, confidential information necessary for SHP to provide the services described herein. SHP shall keep

confidential all NDPERS information obtained in the course of delivering services in accordance with law and the BAA and shall not use any PHI or other Member information for any marketing purposes without express consent. Failure of SHP 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. SHP shall not disclose any individual employee or dependent information unless otherwise permitted by the terms of this Agreement or the BAA without the prior written consent of the employee or family member. SHP has exclusive control over the direction and guidance of the persons rendering services under this Agreement. Upon termination of this Agreement, for any reason, SHP shall return or destroy all confidential information received from NDPERS or created or received by SHP on behalf of NDPERS except as provided in the BAA. This provision applies to confidential information that may be in the possession of subcontractors or agents of SHP. SHP shall retain no copies of the confidential information except as provided in the BAA. In the event that SHP asserts that returning or destroying the confidential information is not feasible, SHP 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, SHP 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 SHP maintains the confidential information.

SHP understands that, except for disclosures prohibited in this Agreement, NDPERS must disclose to the public upon request any records it receives from SHP unless such disclosure is not permitted by law. SHP further understands that any records that are obtained or generated by SHP 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 open records law. SHP agrees to contact NDPERS immediately upon receiving a request for information under the open records law and to comply with NDPERS's instructions on how to respond to the request.

The parties acknowledge and agree that the provisions of N.D.C.C. § 54-52.1-12 apply with respect to Member information.

In compliance with Law, SHP shall not discriminate on the basis of age, gender, gender identity, sex, color, race, national origin,

disability, marital status, sexual preference, religious affiliation, public assistance status, a person's status as a victim of domestic violence or whether an advance directive has been executed. SHP shall not, with respect to any person and based upon any health factor or the results of genetic screening or test (a) refuse to issue or renew a Certificate of Insurance, (b) terminate coverage, (c) limit benefits, or (d) charge a different Premium.

- 11.16 SHP agrees to timely file all required reports, make required payroll deductions, and timely pay all taxes and premiums owed, including sales and use taxes and unemployment compensation and workers' compensation premiums. SHP shall have and keep current at all times during the term of this Agreement all licenses and permits required by law.
- 11.17 All records, regardless of physical form, and the accounting practices and procedures of SHP relevant to this Agreement are subject to examination by the North Dakota State Auditor, the Auditor's designee, or Federal auditors. SHP shall maintain all of these records for at least three (3) years following completion of this Agreement and be able to provide them at any reasonable time. Plan Sponsor, State Auditor, or Auditor's designee shall provide reasonable notice to SHP prior to conducting examination.
- 11.18 INDEPENDENT ENTITY: SHP 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. SHP retains sole and absolute discretion in the manner and means of carrying out SHP's activities and responsibilities under this Agreement, except to the extent specified in this Agreement.

12. DISPUTES AND INDEMNIFICATION

- 12.1 If litigation is filed regarding denial of benefits or otherwise, and SHP is named as the sole defendant, SHP will have the right to manage and have full control of litigation and to determine whether to pay, compromise, litigate or appeal litigation. If Plan Sponsor and Plan Administrator are named as parties, and SHP represent either, the legal defense provided by SHP to the Plan Sponsor and Plan Administrator under this provision must be free of any conflicts of interest, even if retention of separate legal counsel for Plan Sponsor and Plan Administrator is necessary. The legal defense must meet the requirements of N.D.C.C. §54-12-08. Except as otherwise provided in this Agreement, the Plan

Sponsor, Plan Administrator, and SHP each agree to assume their own liability for any and all legal equitable claims of any nature including all costs, expenses and attorneys' fees which may in any manner result from or arise out of this Agreement.

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

1. Commercial general liability, including premises or operations, contractual, and products or completed operations coverages (if applicable), with minimum liability limits of \$250,000 per occurrence and \$1,000,000 aggregate.
2. Professional errors and omissions with minimum liability limits of \$1,000,000 per occurrence and in the aggregate, SHP shall continuously maintain such coverage during the term of the Agreement and for three years thereafter. In the event of a change or cancellation of such coverage, SHP shall purchase an extended reporting period to meet the time periods required in this section.
3. Automobile liability, including Owned (if any), Hired, and Non-Owned automobiles, with minimum liability limits of \$250,000 per person and \$500,000 per occurrence.
4. Workers compensation coverage meeting all statutory requirements.

The policy shall provide coverage for all states of operation that apply to the performance of this contract.

12.3 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 SHP. The amount of any deductible or self-retention is subject to approval by NDPERS, upon request.
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 NDPERS. The policies shall be in form and terms approved by NDPERS.

3. SHP shall furnish a certificate of insurance to the undersigned NDPERS representative.
4. Failure to provide insurance as required in this Agreement is a material breach of contract entitling NDPERS to terminate this Agreement immediately.

12.4 SHP shall not cancel insurance coverage required by this Agreement or modify the insurance coverage below limits required by this Agreement without thirty (30) days' prior written notice to the undersigned NDPERS representative.

12.5 New insurance shall be promptly furnished in the event of insolvency, bankruptcy, or failure of any insurance company. SHP shall notify NDPERS thirty (30) days in advance of any cancellation, termination, or alteration of insurance policies required hereunder. A renewal policy or certificate shall be delivered to NDPERS at least thirty (30) days prior to the expiration date of each expiring policy.

12.6 After a period of a right to cure, failure to provide insurance as required in this Agreement is a material breach of contract entitling NDPERS to terminate this Agreement immediately.

13. DOCUMENTS NECESSARY TO EFFECTUATE THE AGREEMENT

In the event the parties mutually determine the need to complete other documentation, including contract amendments, to complete this transaction, the parties agree to reasonable cooperate to execute such documents to effectuate the agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed, in their names by their undersigned officers, the same being duly authorized to do so.

**NORTH DAKOTA PUBLIC EMPLOYEES
RETIREMENT SYSTEM (PLAN
ADMINISTRATOR)**
PO Box 1657
Bismarck, North Dakota 58502

SANFORD HEALTH PLAN
300 Cherapa Place, Suite 201 Sioux Falls, SD
67103

By: _____

By: _____

Title: _____

Title: _____

Date: _____

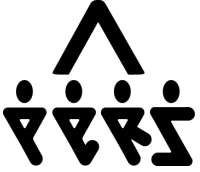
Date: _____

**NORTH DAKOTA PUBLIC EMPLOYEES
RETIREMENT SYSTEM (PLAN SPONSOR)**
PO Box 1657
Bismarck, North Dakota 58502

By: _____

Title: _____

Date: _____



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

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

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

Memorandum

TO: NDPERS Board

FROM: Derrick Hohbein, CPA

DATE: January 10, 2023

SUBJECT: Consultant Fees for the Quarter Ended December 2022

Attached is a quarterly report showing the consulting, investment, and administrative fees paid during the quarter ended December 2022.

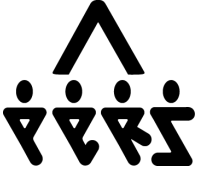
This is informational only.

Attachment

North Dakota Public Employees Retirement System Consulting/Investment/Administrative Fees For the Quarter ended December 31, 2022

Program/Project	Fee Type	Oct-22	Nov-22	Dec-22	Fees Paid During The Quarter	Fees Paid Fiscal Year-To-Date
Actuary/Consulting Fees:						
Mid Dakota Clinic	Retirement Disability	Time charges			-	\$ 1,350
Ice Miller	Legal fees Employee benefit matters			2,322	2,322	\$ 7,479
Deloitte	Legislative Analysis			5,281	5,281	\$ 5,281
Deloitte	Claims Projections			38,350	38,350	\$ 38,350
Deloitte	Consulting			1,625	1,625	\$ 1,625
State Auditor's Office	PBM Audit	Time charges	30,161	57,250	87,411	\$ 128,567
Buck Consulting	Life/Dental/Vision RFP	Fixed Fee	2,500	5,833	5,833	\$ 14,166
Gabriel Roeder Smith & Company	Retirement	Fixed Fee	14,000	47,000	61,000	\$ 77,000
Gabriel Roeder Smith & Company	RHIC	Fixed Fee	6,400	6,000	12,400	\$ 14,400
Gabriel Roeder Smith & Company	GASB 67/68	Fixed Fee		5,000	15,000	\$ 20,000
Gabriel Roeder Smith & Company	GASB 74/75	Fixed Fee		2,000	2,000	\$ 2,000
Gabriel Roeder Smith & Company	Actuarial Factor Updates	Fixed Fee	3,600	5,100	3,100	\$ 11,800
Gabriel Roeder Smith & Company	Projections	Fixed Fee		10,000	5,000	\$ 15,000
Gabriel Roeder Smith & Company	Legislation	Time Charges	2,125	3,995	17,850	\$ 23,970
Gabriel Roeder Smith & Company	Retirement	Time Charges			1,170	\$ 8,293
Gabriel Roeder Smith & Company	RHIC	Time Charges			-	\$ -
Gabriel Roeder Smith & Company	Deferred Comp	Time Charges			-	\$ -
Gabriel Roeder Smith & Company	Flexcomp	Time Charges			-	\$ -
Callan & Associates	Asset Allocation & Liability Study	Fixed Fee			-	\$ -
Callan & Associates	Investment Consultant Expenses	Fixed Fee	12,450		12,450	\$ 24,900
Callan & Associates	Record Keeper Search	Fixed Fee			-	\$ -
Audit Fees:						
Clifton Larson Allen	Annual Audit Fee	Fixed Fee		63,000	63,000	\$ 89,250
Legal Fees:						
ND Attorney General	Administrative	Time charges	3,569	2,353	1,916	\$ 7,838
Investment Fees:						
SIB - Investment Fees	Retirement (DB)	% Allocation	1,798,901	1,797,701	*	3,596,602 \$ 9,077,488
SIB - Investment Fees	Ret Health Credit	% Allocation	138,759	132,886	*	271,645 \$ 684,106
SIB - Investment Fees	Insurance	% Allocation	12,436	13,087	*	25,523 \$ 66,158
SIB - Administrative Fees	Retirement (DB)	% Allocation	32,862	42,799	*	75,661 \$ 255,191
						3,969,431 \$ 10,082,943
Administrative Fee:						
Sanford Health Plan	Health Plan	Fixed fee	1,243,317	1,240,280	*	2,483,597 \$ 6,216,488

* fees not yet available



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

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

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

Memorandum

TO: NDPERS Board

FROM: Derrick Hohbein, CPA

DATE: January 10, 2023

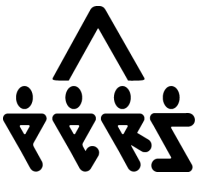
SUBJECT: Annual Comprehensive Financial Report (ACFR)

We have completed the 2022 annual comprehensive financial report. The report contains detailed financial, investment, actuarial, and statistical information for the plans administered by NDPERS. You can view, download, or print the report from the NDPERS website at:

<https://www.ndpers.nd.gov/sites/www/files/documents/about/financial/acfr-2022.pdf>

We sent an email notice to each participating employer notifying them that the annual report is available on the NDPERS website. We also submitted the report to the Government Finance Officers Association with an application for the GFOA Certificate of Excellence in Financial Reporting.

Please let me know if you have any questions on the report.



Memorandum

TO: NDPERS Board

FROM: Derrick Hohbein

DATE: January 10, 2023

SUBJECT: Operations Update

We last reported to the Board with an operational update at our January 2022 meeting. There has been a lot of work done and progress made on projects of which the Board may not be aware. In order to keep the Board informed, we like to provide updates once or twice a year on the progress our office is making.

Updates on strategic planning initiatives:

- A project to enhance how enclosures are produced with the correspondence generated in PERSLink is currently being reviewed for efficiencies. Currently if a form needs to be included with a letter to a member, Staff need to retrieve and print the form from our website. PERSLink offers the ability to auto-print enclosures, and Staff is in the process of documenting what enclosures are sent with each type of correspondence generated to begin taking advantage of this enhancement.

In total Staff have identified 47 total templates to convert, and to date 8 have been placed into production.

- We previously discussed our concerns with the ND Login process and how it impacts our members from a security and customer experience perspective. NDIT is working on a redesign of the ND Login process and we were able to have our IT Manager secure a seat on the task force to offer input and ensure our concerns are satisfied with the new process.

Currently the login process for our members to access Member Self-Service (MSS) has been fully redesigned. We anticipate having the portal for our employers to access Employer Self-Service (ESS) to be completed in early 2023.

- Updates to our business system to accommodate an electronic Board election process was implemented for both Board elections that happened during 2022.
- Staff is currently gathering information to produce an employee handbook. The goal of the employee handbook is to have relevant information Staff may find useful in a centralized location. Some of the documents Staff is hoping to incorporate into the handbook include the personnel policy manual, evacuation procedures, required employee postings, our commitment statements, etc.
- There are tables that exist in PERSLink that have not been archived since we went live ten years ago. Staff has been working with Sagitec on identifying tables that have information that may no longer be relevant, information that is outdated based on records retention policies, and information that is permanent but may need to be stored and accessed in a different manner than staff is currently accessing the information. The initial process to clean up the historical tables has been completed, and we are currently working on developing a monthly script that we can run to archive the data going forward.
- Staff is currently reviewing an MSS enhancement being designed where members have the opportunity to apply for retirement benefits online. Our goals for this project are to streamline the benefit application process for the member, ensure the accuracy of information feeding into PERSLink, and freeing up staff time by eliminating the data entry element when receiving paper applications in our office. The refund wizard is currently being tested by Staff, and will be implemented before the full retirement application wizard. This will give Staff and our members an opportunity to work with our members applying for refunds to see how they work before we release the bigger applications to our membership.
- There are quite a few updates to present to the Board in the area of communications and how it relates to the Board's strategic plan for educational campaigns.

Member:

In February, counseling staff conducted a virtual Lunch & Learn session for our members on the timing of how and when to complete retirement forms. In total there were 236 members that were logged in to view the presentation.

In May, counseling staff conducted a virtual Lunch & Learn session for our members on making the most of your retirement contributions with PEP. In total there were 254 members that were logged in to view the presentation.

In September, counseling staff conducted a virtual Lunch & Learn session for our members about the functionality and capabilities of MSS. In total there were 103 members that were logged in to view the presentation.

In November, counseling staff conducted a virtual Lunch & Learn session for our members regarding insurance options in retirement. In total there were 213 members that were logged in to view the presentation.

These Lunch & Learn sessions are a global effort in our agency involving the Retirement Manager and counselors, administrative services, and public information. These departments collaborate to ensure our members receive

comprehensive information during the presentation as well as answers to each of the questions coming into the chat. This ensures our members have a great experience while attending our virtual events.

Staff also has a lot of educational opportunities lined up for 2023. In 2023 we are looking to schedule the following Lunch & Learns:

- February 8, 2023 – Reading your benefit estimates
- March 8, 2023 – Sick leave: What is it and should I purchase it?
- April 12, 2023 – Returning to work after retirement
- September 13, 2023 – Creating your MSS Account
- November 8, 2023 – Health insurance in retirement

Each year we offer our membership retirement education seminars. One event is a Pre-Retirement Education Program (PREP) and is a session for members retiring in the next 5 years. In 2022, this event took place on April 5th with 433 members in attendance. This virtual event is next scheduled for May 17th & 18th, 2023.

Another event is a Financial Essentials Workshop (FEW) and is a session for new hires and mid-career employees. In 2022, this virtual event took place on April 6th & 7th with 389 and 294 members in attendance. This virtual event is scheduled for May 10th, 2023.

This year we also hosted our own virtual annual enrollment events. The first one was an overview of all insurance benefit election options available during annual enrollment. This presentation had 244 members that participated in the event.

The second presentation focused on the advantages of participating in flexible spending account(s) and featured ASIFlex as the guest speaker. This presentation had 110 members that participated in the event.

Employer:

Staff has also scheduled Authorized Agent Training for our employers. This training covers basic education on the plans we administer, provides an overview of both Member and Employer Self Service, as well as payroll reporting requirements. These training sessions were held on January 25th & 26th for our political subdivisions (171 and 194 attendees), and March 22nd & 23rd for state employers (126 and 176 attendees).

Our business system is currently being redesigned to help make the interaction between our office and the authorized agents for our employers more efficient.

- Validation redesign – our business system is currently being redesigned to provide direction to employers for the errors they are experiencing on the payroll reporting process.
- A new workflow was introduced where outreach is done one month after signing up new authorized agents. This outreach is done to see if the authorized agent has any further questions or any clarification needed on the payroll reporting process.

All of these educational efforts will be held virtually, recorded, uploaded to our YouTube channel, and promoted within our ongoing communication efforts.

Legislative:

To prepare for the upcoming Legislative Session, staff has put together a number of one-page educational efforts to provide Legislators with education on our agency and the members that we serve. These one pagers included education on:

- HR Story – this one-page summary offers insight into our agency, the recruitment and retention challenges that we have, and the goals for our budget that were discussed during our last Board Planning Meeting. This one-page summary is included as Attachment A in your Board materials.
 - Overview – this is a one-page summary that offers insight into our agency, and provides an overview of the variety of benefits that we administer, how our agency is funded, our accomplishments, and goals over the coming years. This one-page summary is included as Attachment B.
 - Retirement – this one-page summary offers insight into the 10 different retirement plans that our agency administers. It provides an historical perspective of contributions received, benefits paid, and the value of the Retirement Trust. In addition it provides insight into the benefit reductions incurred by our members, and the economic benefit our programs have across the state. This one-page summary is included as Attachment C.
 - Insurance – this one-page summary offers insight into the 6 health insurance plans, and other insurance plans that we administer in our office. This piece tries to educate the Legislative Assembly on the benefits of our health insurance arrangement, as well as the vast amount of programs our agency is responsible for administering. This one page summary is included as Attachment D.
- At the June 2022 meeting, we discussed converting the microfiche records that staff have to access on a routine basis into an electronic format. OSG has gotten a number of final files back to NDPERS. Staff anticipates this project being completed in early 2023, well ahead of the June 30th deadline. Staff has also procured a modernized reader, so we can legibly read the existing microfiche records.
 - Business Process Management (BPM) is a system upgrade that was included as a one-time funding initiative for our agency for the 2021-23 biennium. This upgrade will redesign the flow of all work being done in our office, and will probably take 3-4 years to fully implement. Each workflow is analyzed for efficiencies, and the business process is built into the system directly so staff do not inadvertently circumvent processes and the system is driven as intended. This project went live in March 2022.
 - An additional developer was granted to our agency by the Legislative Assembly for the 2021-23 biennium. This resource is initially helping develop comprehensive new hire and annual enrollment wizards in Member Self Service to enhance the experience of our members in the member portal. Once complete, this resource will also help with a backlog of system enhancements that our agency hasn't been able to prioritize as well as help us move forward with our BPM development.

- A process to automate IT's movement of system generated reports is now complete. There are a handful of reports that cannot automatically be moved as the naming convention is not differentiated between certain business processes, but the reports that can automatically be moved are all complete.
- The State Auditor contracted with Myers and Stauffer to conduct an audit of Optum RX, the Pharmacy Benefits Manager that Sanford Health Plan contracts with. Myers & Stauffer plan on presenting the findings of that audit to the Board, but indications are that no material discrepancies were identified through the audit.
- A redesign to automate the daily deferred compensation processing in our IT area was completed earlier this year. This process helps ensure files are not missed and are processed timely by our agency each day.

Staff has also completed the following projects that were not a part of the Board's strategic plan:

- The Public Pension Coordinating Council (PPCC) is a coalition of three national associations that represent public retirement systems and administrators, including the National Association of State Retirement Administrators (NASRA), the National Council on Teacher Retirement (NCTR), and the National Conference on Public Employees Retirement Systems (NCPERS).

The PPCC established the Public Pension Standards to reflect minimum expectations for public retirement system management, administration, and funding. The Standards serve as a benchmark to measure public defined benefit plans. All public retirement systems and the state and local governments sponsoring them are encouraged to meet the standards.

We submitted our annual application for their review in October 2022, and we are pleased to announce we did receive the Recognition Award for Administration in 2021, which is attached for your review as Attachment E.

- The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the North Dakota Public Employees Retirement System for its annual comprehensive financial report (ACFR) for the fiscal year ended June 30, 2021, and is attached for your review as Attachment F. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized annual comprehensive financial report, the contents of which conform to program standards. The ACFR must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. The North Dakota Public Employees Retirement System has received a Certificate of Achievement for the last twenty-six consecutive years (fiscal years ended June 30, 1996 - 2021). We believe our current report continues to conform to the Certificate of Achievement program requirements, and we submitted it to the GFOA for their review.

- Every year our Internal Audit team conducts a risk assessment on every division in our agency. These risk assessments provide an in-depth review of every major activity the division is responsible for, and captures the risk inherent within each activity. The review also includes any controls management has in place to combat the risks our agency encounters. A score is assigned to each risk and level of effectiveness for our controls in place. This practice helps identify areas of concern for our agency. Discussions are also had on where we can improve our operations, especially in any categories that are deemed to be a high risk area.
- In October, each staff member was given the opportunity to submit an evaluation of their direct supervisor, as well as the Chief Benefits Officer and the Chief Operating/Financial Officer. This survey was similar to the survey staff did on behalf of the Executive Director earlier this year. Comments and areas for improvement were discussed with each supervisor and will be incorporated into annual evaluations that take place in March.
- Every April, a committee of staff members get together to review all of our Third Party Administrators' (TPA) System and Organization Controls (SOC) reports. These reports are designed to help capture any weaknesses in our TPA's internal control processes. SOC reports from ASIFlex, NDI, Sagitec, Sanford, and TIAA were all reviewed, and I am happy to pass along that no material weaknesses were identified in any of the reports that staff reviewed.
- In June, staff conducted an annual audit of grandchildren enrolled as dependents in the health, dental, and/or vision plans to ensure they maintain eligibility.
- In September, TIAA liquidated participant accounts that had a balance that was less than \$1,000. Refunding these participants on an annual basis helps keep our administrative fee with TIAA down, as there are fewer accounts requiring maintenance. In total TIAA liquidated 251 accounts in 2022.
- This fall, flu shot clinics were coordinated with the UND School of Medicine and offered to NDPERS health insurance plan members in the Bismarck/Mandan area. Details regarding participation will be provided at the February Board meeting.
- Annual enrollment was conducted for the group insurance and flex plans during October and November. Updates as a result of annual enrollment will be provided to the Board at the February meeting.
- Updates were made to both our PERSLink business system and the State's PeopleSoft payroll system to accommodate annual limit increases for retirement and deferred comp wages.
- A PERSLink upgrade was done to allow state agency employers to certify that their temporary employees meet the definition of an ACA eligible employee in ESS. This certification also triggers the temporary employee's ability to enroll in health insurance in MSS.
- Starting January 1, 2023, the IRS changed the federal tax withholding process for both retirees & those taking a withdrawal of their pensions. These updates were accommodated in our business system in mid-December.

- The mail inserter that the Board approved has been installed, and has allowed us to move to a sealed envelope policy in our office. We are still working with the vendor on developing the QR code functionality to help ensure envelopes are stuffed with only the intended recipient's items.
- Programming efforts to accommodate the reduction in the assumed long-term rate of return are completed. Members that have a payment plan for their service purchases will also be provided with a new amortization schedule to accommodate the reduction in payments as a result of this update.

Looking to the future, work efforts on the following strategic planning initiatives are scheduled to begin in the next few months:

- Our office has a repository of Electronic Administrative files that has never been organized. Staff is planning to develop a proposed policy relating to these files and a project centered around cleaning the files up to adhere to this policy will begin the first quarter of 2023.
- Lifecycle training sessions were conducted a couple of years ago, before we had the ability to easily record them. These sessions were conducted to help staff understand what each division is responsible for, the challenges their teammates face, and how the work everyone does is integrated with each other. Goals are currently being set for each division to revisit these presentations, and commit to do a follow up presentation that we can record and house in our repository for staff to reference in the future.
- Redefining our Mission Statement was a team building exercise the Board identified during the planning meeting. This is a topic Staff will be addressing in the coming months, and a final proposal will be presented at a future Board meeting.

This is informational only and does not require any Board action.



**NORTH DAKOTA
PUBLIC EMPLOYEES
RETIREMENT SYSTEM**



Attachment A

WHO WE ARE

35.5

Full-time Team Members

3

Temporary Team Members

44

Business Partners

WHAT WE'RE ABOUT

Mission

Design, communicate and efficiently administer a viable employee benefits program within a framework of prudent risk-taking, applicable state and federal laws, and professional and ethical standards so as to provide an employee benefit package that is among the best available from public and private employers in the upper Midwest.

Core Function

NDPERS is one of only a handful of state agencies in the entire country that administers both retirement plans – nine different retirement plans – and health, life, dental, and other insurance plans for the benefit of state and political subdivision employees.

STAFFING GOALS

Equity increase



When compared to other agencies, NDPERS salary levels are below average (see graph on page 2)

Fund 3 additional FTE



NDPERS requires additional full-time employee positions to manage the increasing number of members

Reorganize teams



Add leads within teams to promote career growth opportunities

Succession Planning



With 25% of staff becoming eligible to retire within the next few years, planning is a must to ensure smooth transitions

Improve Culture & Engagement



Adapt to hybrid working model and improve Gallup engagement ratings

Rethink budget cuts



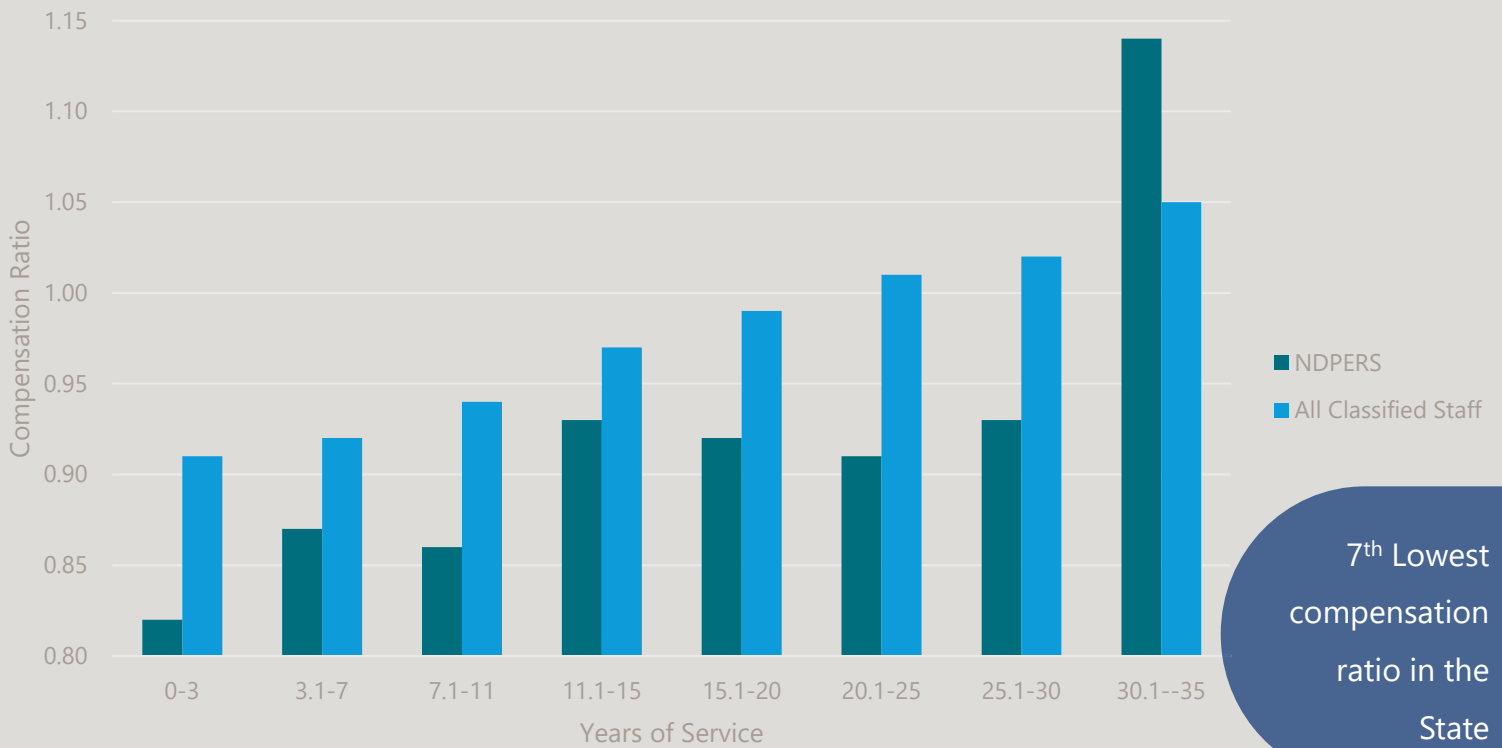
With NDPERS salaries already below average, future budget cuts will be funded through benefit elimination rather than sacrificing salary funding

Did you know?

- During the last biennium, NDPERS redirected its temporary employee funding to hire personnel strictly dedicated to data processing and customer service due to the increasing number of members.
- This funding had historically been used to assist in the implementation of state and federal mandates rather than day-to-day processing and customer service.
- NDPERS stretched the initial funding to hire three full-time temporary employees by hiring at lower salary levels.
- Finding interested candidates for these positions has been difficult and time-intensive.

RETENTION CHALLENGES

Compensation Ratios by Years of Service Comparison as of September 30, 2022



7th Lowest compensation ratio in the State



Below average compensation ratio

Staff is cognizant of the salary gap which leads to significant morale issues



Limited FTE authority

NDPERS hired 3 temporary employees for positions needed on a full-time permanent basis



Employees make lateral moves to other state agencies for higher pay



High number of upcoming retirements

25% of NDPERS staff could retire within the next few years

RECRUITMENT CHALLENGES

Difficulty attracting new team members

Budget restrictions limit NDPERS from offering salaries above minimum classification salary range when compared to other state agencies and private sector jobs

Required skills and qualifications

Given the complex benefit package provided by NDPERS, it is challenging to find candidates with the necessary experience to be able to "hit the ground running"

Limited opportunities for growth

The current organizational structure restricts career advancement opportunities

Low Compensation

Low wages negatively impact the perception of NDPERS as an employer



WHO WE ARE

35.5

Full-time Team Members

3

Temporary Team Members

44

Business Partners

WHAT WE'RE ABOUT

Mission:

Design, communicate and efficiently administer a viable employee benefits program within a framework of prudent risk-taking, applicable state and federal laws, and professional and ethical standards so as to provide an employee benefit package that is among the best available from public and private employers in the upper Midwest.

Core Function:

NDPERS is one of only a handful of state agencies in the entire country that administers both retirement plans – nine different retirement plans – and health, life, dental, and other insurance plans for the benefit of state and political subdivision employees.

WHO WE SERVE

Retirement Plans

Almost 60,000 employees and retirees participate in the retirement plans we administer



Employer Participation

96 state agencies, 52 counties, 90 cities, 128 school districts, and 83 "other" political subdivisions in our retirement plans



Retirement Benefits

We make over \$200 million in retirement benefit payments every year to retirees living in every county in the state



Health Plans

Our health plans cover nearly 60,000 North Dakotans, including actives, retirees, and covered dependents



Employer Participation

96 state agencies, 29 counties, 29 cities, 17 school districts, and 51 "other" political subdivisions in our health plans



Health Plan Benefits

We provide our covered members with over \$335 million in health benefits every year

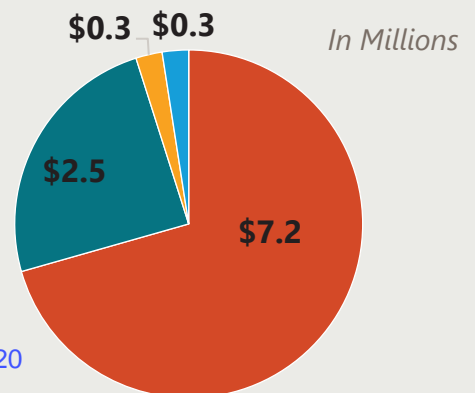


HOW WE DO IT

Total Agency Budget: \$10,217,396

- All special funds

- Salary
- Operating
- Capital
- Contingency



NORTH DAKOTA PUBLIC EMPLOYEES RETIREMENT SYSTEM (NDPERS)

WHAT WE'RE PROUD OF

Remote Workforce

NDPERS was one of the first state agencies to recognize the long-term benefit of remote workers, and moved into new offices on state property in 2021, cutting our footprint and rent by 50%

Member Education

Upgrades to our website and a new YouTube channel that hosts recordings of our member education presentations significantly improved our members' access to information

Improved Technology

Technological upgrades, including laptops for all employees and new benefit software, improves disaster recovery and our ability to serve our members

Retirement
Plan Funding
Stabilization

Expansive
Employee
Benefit
Program
Menu

0.14%
Biennial
Health Plan
Premium
Increase

25.2%
Medicare
Part D
Premium
Reduction

WHAT WE DO



Retirement – Defined Benefit

The Defined Benefit/Hybrid retirement plan provides a modest yet secure retirement benefit to public employees.



Uniform Group Insurance

Including Health, Dental, Vision, Life, and EAP insurance options for our public employees.



Retirement – Defined Contribution

A 401(K)-like retirement option for non-classified state employees.



Retiree Health Insurance Credit

A monthly lifetime benefit eligible retirees can use as reimbursement for after-tax insurance premiums.



Retirement – Deferred Compensation

An optional, supplementary tax-deferred savings option for public employees.



Flexible Compensation

A pre-tax savings program that active employees can use to pay for medical and dependent care expenses.

HOW WE MEASURE SUCCESS

4-Point Customer Service Report Cards

- Courtesy – 3.75
- Promptness – 3.48
- Staff Explanation – 3.61
- Ease of Understanding – 3.56

Retirement Plan Participation Increase

We have added 38 new employers to our various retirement plans over the past 5 years – a 9% increase in participating employers

[January 2023 Board Book Page 111 of 120](#)

Awards and Recognition

- GFOA Certificate of Achievement for Excellence in Financial Reporting
- Public Pension Coordinating Council Award for Administration

Clean Audit Opinion

Twenty-five consecutive years of unmodified opinions from an independent audit firm



**NORTH DAKOTA
PUBLIC EMPLOYEES
RETIREMENT SYSTEM**



WHO WE SERVE

KEY RETIREMENT FACTS

24,779

Active Members

14,204

Retired Members

16,283

Deferred Members

473

Participating Employers

Opening its doors in July 1966, the Public Employees Retirement System has since grown to administer **ten retirement plans** for the State of North Dakota along with numerous insurance plans.

The breadth and complexity of the benefits that NDPERS administers make it one of the most unique state government agencies in the entire nation.

Historical Financial Breakdown as of September 2022



TEN RETIREMENT PLANS ADMINISTERED BY NDPERS

EE represents Employee

Main

Hybrid Plan – Three Benefit Tiers

Total Participants: 53,175
 Current Funded Ratio: 64.9%
 Employee Contribution Rate: 7%
 ER Contribution Rate: 8.35%

Public Safety

With Prior Service

Total Participants: 1,562
 Current Funded Ratio: 72.6%
 Pol Sub EE Contribution Rate: 5.5%
 BCI EE Contribution Rate: 6%
 Employer Contribution Rate: 9.81%

Public Safety

Without Prior Service

Total Participants: 406
 Current Funded Ratio: 92.5%
 Employee Contribution Rate: 5.5%
 Employer Contribution Rate: 7.93%

Highway Patrol

Total Participants: 341
 Current Funded Ratio: 66.1%
 Employee Contribution Rate: 14.3%
 Employer Contribution Rate: 20.7%

Judges

Total Participants: 123
 Current Funded Ratio: 108.2%
 Employee Contribution Rate: 8%
 Employer Contribution Rate: 17.52%

Job Service

Total Participants: 177
 Current Funded Ratio: 122.2%
 Employee Contribution Rate: 7%
 Employer Contribution Rate: 0%

457 Deferred Compensation

Optional supplemental retirement plan

Current participants: 6,450
 Market Value of Assets: \$161.3M

Defined Contribution

Open to new state non-classified employees interested in controlling their investment portfolio

Current participants: 93
 Market Value of Assets: \$16.1M

RHIC – Retiree Health Insurance Credit

Eligible retirees receive \$5 in monthly credit for each year they earned service

Total participants: 19,018

NORTH DAKOTA PUBLIC EMPLOYEES RETIREMENT SYSTEM

EFFORTS TO IMPROVE FUNDING: FOUR-YEAR RECOVERY PLAN AND BENEFIT REDUCTIONS

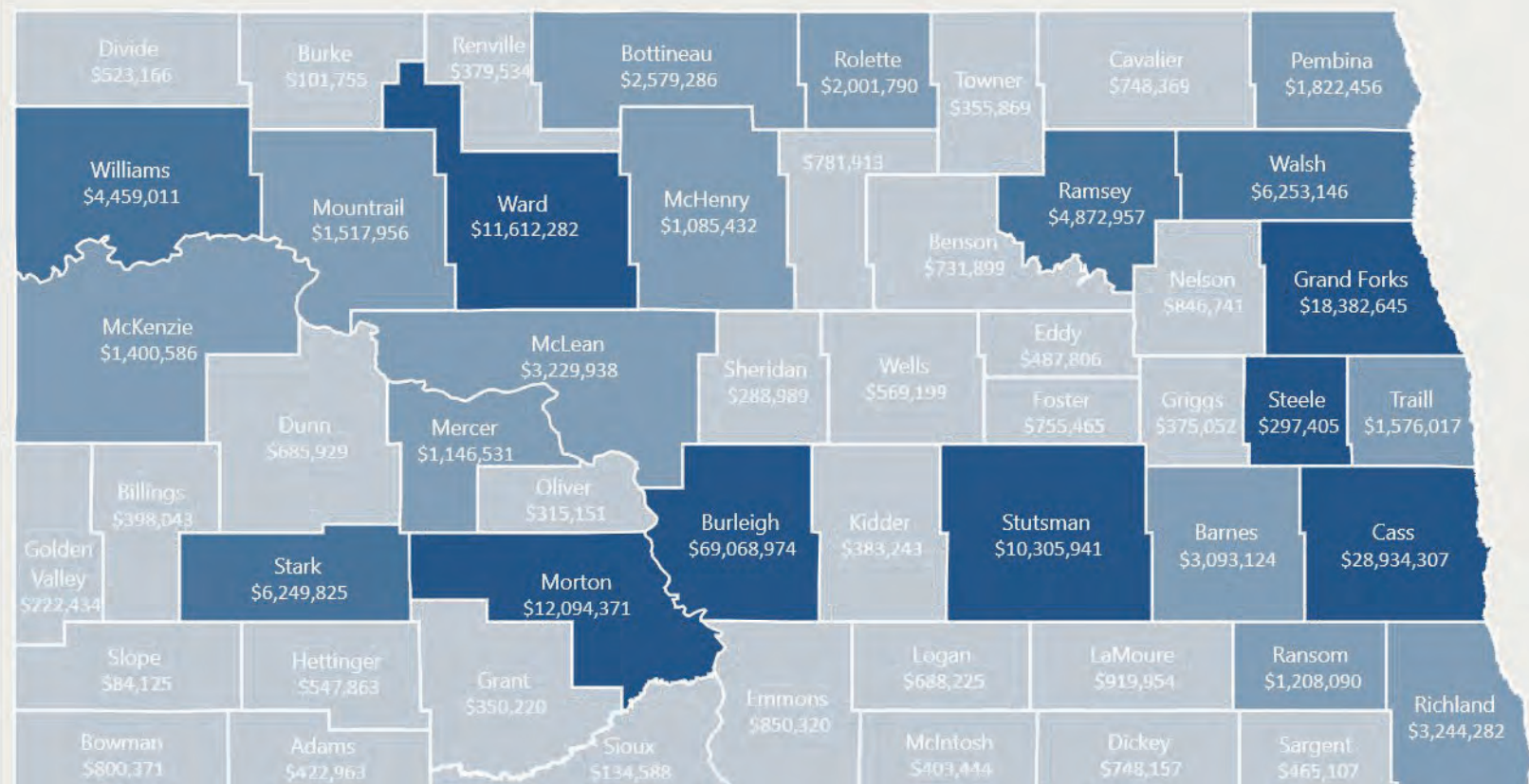
Employee Contributions



Employer Contributions



ECONOMIC IMPACT ACROSS NORTH DAKOTA



Average Monthly Benefit

The average monthly per retiree is \$1,392



Total Payments in 2022

In-state paid benefits: \$211,802,243.16

Out-of-state paid benefits: \$35,095,119.72



**NORTH DAKOTA
PUBLIC EMPLOYEES
RETIREMENT SYSTEM**



WHO WE SERVE

18,293

Active Contracts

7,086

Retiree Contracts

58,763

Total Covered Lives

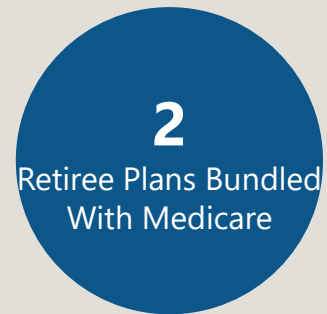
225

Participating Employers

KEY HEALTH INSURANCE FACTS

NDPERS administers six health insurance plans for eligible active employees, retirees, and their family members as part of the Dakota Plan.

The Dakota Plan, underwritten by Sanford Health Plan (SHP), was created to promote wellness, reduce personnel turnover, and offer an incentive to individuals to enter and remain in the service of state employment.



SIX HEALTH INSURANCE PLANS

Grandfathered Plan
PPO/Basic

Total Contracts: 17,191
Total Participating Employers: 223

Non-Grandfathered Plan
PPO/Basic

Total Contracts: 334
Total Participating Employers: 2

High Deductible Health Plan
Health Savings Account Option

Total Contracts: 768
Total Participating Employers: 223

Dakota Retiree Plan
Bundled With Medicare Part D

Total Contracts: 7,039

Medicare Part D Prescription Drug Plan
Underwritten by Humana

Total Contracts: 9,115

Non-Medicare Retiree

Total Contracts: 47

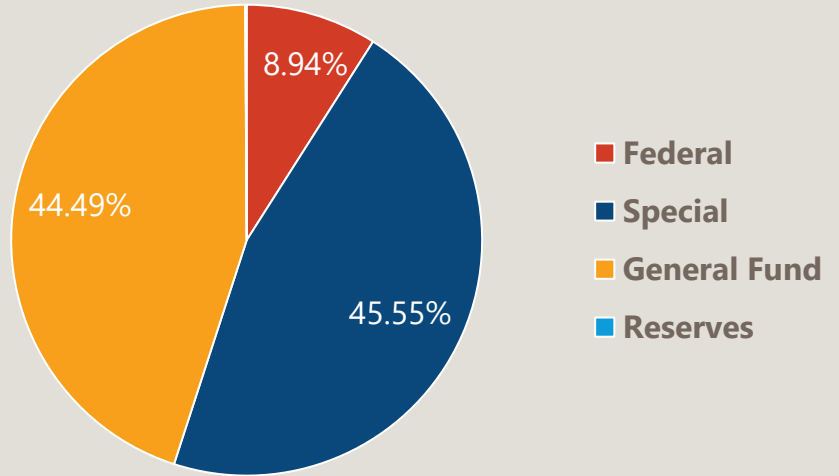
HEALTH INSURANCE BENEFITS PAID



HEALTH INSURANCE PLAN FUNDING

HYBRID Fully Insured/Self Insured Plan

- NDPERS shares in the gains but not the losses
- Reserves cover the administration fee shortage (roughly .01% of premium) and benefit enhancements, and buy down premiums when General Fund monies are not available



OTHER WELLNESS BENEFITS

Diabetes Prevention and Management

NDPERS provides diabetes prevention and management programs, including Livongo, through SHP, and About the Patient through the ND Pharmacy Association.

Healthy Pregnancy

SHP offers the Healthy Pregnancy Program as a free offering with tools and support for expecting parents to give their baby the healthiest start possible with up to \$850 in out-of-pocket savings.

Wellness Benefit

The NDPERS Dakota Wellness Program \$250 Benefit is available to all eligible members and their covered spouses participating in the NDPERS group health insurance plan.

ND Quits

NDPERS partners with the ND Department of Health to promote the ND Quits program, which offers free counseling, Nicotine Replacement Therapy, and other resources.

OTHER INSURANCE PLANS ADMINISTERED BY NDPERS



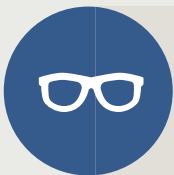
Dental Insurance

Underwritten by Delta Dental of Minnesota with 13,092 current contracts.



Life Insurance

Underwritten by Voya Life Insurance with 21,772 current contracts.



Vision Insurance

Underwritten by Superior Vision with 13,255 current contracts.



Employee Assistance Program

Provides confidential, voluntary, short-term assessment and counseling sessions for employees and families.



Flexible Compensation

This benefit allows employees to pretax eligible insurance premiums and contribute to Flexible Spending Accounts.



Health Savings Accounts

Eligible members enrolled in the High Deductible Health Plan can benefit from a Health Savings Accounts.



Public Pension Coordinating Council

**Recognition Award for Administration
2022**

Presented to

North Dakota Public Employees Retirement System

In recognition of meeting professional standards for
plan administration as
set forth in the Public Pension Standards.

Presented by the Public Pension Coordinating Council, a confederation of

National Association of State Retirement Administrators (NASRA)
National Conference on Public Employee Retirement Systems (NCPERS)
National Council on Teacher Retirement (NCTR)

A handwritten signature in cursive script that reads "Alan H. Wiukle".

Alan H. Wiukle
Program Administrator



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

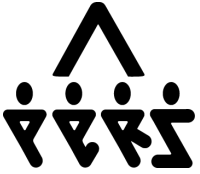
North Dakota Public Employees Retirement System

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2021

Christopher P. Morill

Executive Director/CEO



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

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

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

Memorandum

TO: NDPERS Board

FROM: Scott Miller

DATE: January 10, 2023

SUBJECT: Contracts under \$10,000

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

This topic is informational only.

New Contracts:

Vendor	Amount	Notes
NDIT	\$ -	Service Level Agreement



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

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

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

Memorandum

TO: NDPERS Board

FROM: Scott

DATE: January 10, 2023

SUBJECT: Legislative Relations

We'll have begun a new Legislative Session by the time we meet on the 10th. I'll provide a verbal update of anything that has come up so far.

There is now a third DB closure bill. This bill is similar to the other two bills, with a 1/1/25 effective date. However, the employer contribution of the ADC would come from all employers, including political subdivisions, not just state employers. We do not yet have an analysis of the bill, but may have one by the Board meeting.

Speaking of the other two bills, they are HB 1039 (effective 1/1/24) and HB 1040 (effective 1/1/25). The other bills for which we know the numbers are: SB 2023, our appropriations bill; SB 2031, the prescription drug reference rate bill; and HB 1088, regarding the SIB makeup.