



NORTH DAKOTA
PUBLIC EMPLOYEES
RETIREMENT SYSTEM

Board Meeting Agenda

Location: WSI Board Room, 1600 East Century Avenue, Bismarck ND
By phone: 701.328.0950 Conference ID: 618 133 974#
Date: Tuesday, March 14, 2023
Time: 8:30 A.M.

I. MINUTES

- A. February 3, 2023, Special Meeting
- B. February 14, 2023

II. PRESENTATIONS

- A. Retiree Health Insurance Credit Primer – MaryJo

III. RETIREMENT

- A. 457 Companion Plan & 401(a) Plan 4th Quarter 2022 Report

IV. GROUP INSURANCE

- A. Life Insurance Plan – select vendor ***EXECUTIVE SESSION** – Katheryn (Board Action)
- B. Vision Insurance Plan Request for Proposal (RFP) – Katheryne (Information)
- C. Employee Assistance Program 2022 Utilization Report – Katheryne (Information)
- D. SHP Performance Guarantee Regarding Fitness Center Reimbursement – Rebecca (Board Action)

V. MISCELLANEOUS

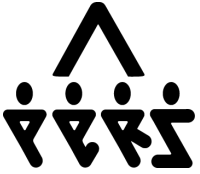
- A. Audit Committee Report – Shawna (Information)
- B. Contracts Under \$10,000 – Scott (Information)
- C. Appoint Executive Director Performance Review and Compensation Committee – Scott (Board Action)
- D. Legislative Relations – Scott (Information)

VI. MEMBER ****EXECUTIVE SESSION**

- A. Retirement Benefit Appeal Case #801 – MaryJo (Board Action)

*Executive Session pursuant to N.D.C.C. §44-04-19.1(9) and §44-04-19.2 when the Board holds executive session to discuss negotiating strategy or provide negotiating instructions to its attorney or other negotiator. A motion is needed to go into Executive Session.

**Executive Session pursuant to N.D.C.C. §44-04-19.2, §44-04-19.2(1) and/or §54-52-26 to discuss confidential records or confidential member information.



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

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Executive Director
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Memorandum

TO: NDPERS Board

FROM: MaryJo

DATE: March 14, 2023

SUBJECT: Retiree Health Insurance Credit (RHIC)

An overview of the NDPERS Retiree Health Insurance Credit (RHIC) programs and services will be provided at the meeting. The presentation is attached.

Retiree

Health

Insurance

Credit

What is the RHIC Program?

- Established under NDCC 54-52.1-03.2
- Funded by your employer during working years
- Reduces cost of eligible insurance premiums paid during retirement years

Who is eligible for RHIC?

- Public Safety
- Judges
- Highway Patrol
- Job Service
- Main Plan – *only if hired before Jan 1, 2020*
- Defined Contribution – *only if hired before Jan 1, 2020*
- NDPERS members currently receiving an ongoing retirement check at least annually
- Surviving spouses receiving an ongoing retirement benefit or RHIC joint and survivor benefit

Calculation

- NDPERS calculates monthly RHIC benefit for each member upon retirement
- Based upon each year employed and receiving eligible service credit
- Calculation: $\$5.00 \times \text{Years of Service}$
 - Actuarially reduced with early retirement
- Retiree Benefit Amount
 - Annual summary statement
 - Online: Member Self Service (MSS) account

Eligible Premiums

- ANY Health Insurance Premiums (including Medicare Part B & Medicare Supplements Plans)
- ANY Prescription Drug Plans (Medicare Part D)

Effective August 1, 2019

- ANY Dental Premiums
- ANY Vision Premiums
- ANY Long-Term Care Premiums
- Applies to premiums incurred as contract holder or covered dependent

Premiums Not Eligible

- Insurance plans subsidized through the federal health care exchange or tax credit
- Life Insurance
- Supplemental Insurance Plans
 - Accident
 - Disability
 - Cancer
- Pre-tax insurance premiums

ASIFlex

- Specialized in benefit administration for large public sector entities since 1987
- Located in Columbia, Missouri
- Services Provided:
 - RHIC Record-keeping
 - RHIC Claims Review and Payment
 - RHIC Customer Service

How do retirees receive RHIC reimbursement?

- If you have NDPERS insurance premiums
 - NDPERS automatic reimbursement with ASIFlex
 - No action required unless RHIC amount is higher than NDPERS premium expenses
- If you have non-NDPERS insurance premiums
 - RHIC became “portable” **July 1, 2015**
 - Submit a claim to ASIFlex for reimbursement

Claim Submission

1. RHIC Claim Form
2. Provide Documentation
 - Dates of coverage period
 - Type of insurance
 - Premium amount
3. Proof of Payment
 - Pay stub
 - Bank statement
 - Cancelled check
 - Credit card receipt
 - Electronic payment

Claim Processing

- May claim up to available RHIC benefit amount each month
- May submit premium expenses at any frequency throughout the plan year
 - 2020 - 6-month interim to move from fiscal year to calendar year (align with calendar year premium costs)
 - Jan 1, 2023 – Dec 31, 2023 Current Plan Year
- Processed daily
- Payment issued 2-3 business days
- Recurring Claims
 - Social Security Annual Statement - Medicare Part B and Prescription Drug (Part D) deductions

Reimbursement Deadline

March 31st

following the close of the plan year
on Dec 31st

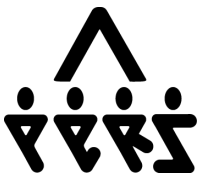


Combining RHIC (August 1, 2007)

- Spouses must both be receiving a NDPERS monthly retirement benefit and may combine their respective RHIC benefit
- Must enroll in one NDPERS family health insurance plan
- Only one RHIC account is setup at ASIFlex
- Surviving spouses receiving retirement benefits may be eligible to use the credit of a deceased spouse



Questions?



Memorandum

TO: NDPERS Board

FROM: Derrick Hohbein

DATE: March 14, 2023

SUBJECT: 457 Companion Plan & 401(a) Plan 4th Quarter 2022 Report

Here is the 4th quarter 2022 investment report for the 401(a) & 457 Companion Plans, which was reviewed by the Investment Subcommittee. The reports are available separately on the NDPERS website. The two plans have 9,785 (9,488 in Q3) participants with \$192.1 million (\$177.4 million in Q3) in assets.

Assets in the 401(a) plan increased to \$17.4 million on December 31, 2022. The number of active participants is at 92. The TIAA-CREF Target Date funds have 60% of the plan assets.

Assets in the 457 Companion Plan decreased to \$174.7 million on December 31, 2022. The number of active participants slightly decreased and is now at 6,621. The TIAA-CREF Target Date funds have 68% of the plan assets.

Benchmarks:

Fund returns for the quarter were mostly positive for the funds in the core lineup. 35 core funds had positive returns for the quarter (1 negative). Core fund performance was mixed when compared to benchmarks. Fund performance in the 3-year & 5-year periods were mostly good. Note that index funds are expected to slightly underperform their benchmarks because of fund administration fees.

Fund / Investment News:

The NDPERS Investment Subcommittee reviewed the 4th quarter 2022 plan review and field activity report with TIAA. Callan gave a market overview and investment performance report. The Subcommittee reviewed the two funds under formal fund review (Templeton Global Bond and Allspring Growth). The investment subcommittee did not have any actionable concerns for the Board to consider. Callan reviewed the NDPERS core fund offerings and will continue presenting the Investment Subcommittee with recommendations for the equity lineup, as well as a proposed RFP for the upcoming record keeper search at the next meeting scheduled in March 2023.

NDPERS Quarterly Investment Report 4th Quarter 10/1/2022 – 12/31/2022



North Dakota Public Employees Retirement System
1600 East Century Ave, Suite 2
Box 1657
Bismarck, ND 58502

457 & 401(a) Investment Structure

Tier I: Asset Allocation	Tier II: Core	Tier III: Specialty
Target Date TIAA-CREF Lifecycle Retirement 5-Year Increments	Capital Preservation Galliard Stable Value Vanguard Treasury MM	
Balanced TRP Capital Appreciation	Domestic Fixed Income Vanguard Total Bond Index Baird Core Plus Bond	Specialty Fixed Income MassMutual Inflation Protected PGIM High Yield Templeton Global Bond
	Large Cap U.S. Equity Franklin Growth Fund Allspring Growth Vanguard Dividend and Income Vanguard Institutional Index Hartford Dividend and Growth T. Rowe Price Equity Income	
	Mid Cap U.S. Equity PGIM Jennison Mid-Cap Growth Columbia Mid Cap Index Fund Virtus Ceredex Mid Cap Value	
	Small Cap U.S. Equity Brown Small Company Fund DFA U.S. Small Cap Northern Small Cap Value Fund	
	International Equity AF New Perspective Vanguard Total Intn'l Stock	Specialty International Equity Invesco Developing Markets
		Specialty Sector Fund Cohen & Steers Realty Shares
		Brokerage Window

Plan Performance Monitoring

As of December 31, 2022

	Last Quarter	Last Year	Last 3 Years	Last 5 Years	Last 7 Years
Asset Allocation Funds					
TIAA-CREF Lifecycle Ret. Inc	4.57%	(12.68%)	1.12%	2.67%	4.36%
LifeCycle Ret Income CB	4.91%	(13.40%)	1.45%	3.23%	4.62%
Callan Tgt Dt Idx 2010	4.75%	(12.68%)	1.20%	2.96%	4.36%
TIAA-CREF Lifecycle Ret. 2010	4.50%	(12.62%)	1.12%	2.68%	4.49%
LifeCycle 2010 CB	4.71%	(13.16%)	1.44%	3.25%	4.76%
Callan Tgt Dt Idx 2010	4.75%	(12.68%)	1.20%	2.96%	4.36%
TIAA-CREF Lifecycle Ret. 2015	4.82%	(13.10%)	1.37%	2.90%	4.83%
LifeCycle 2015 Cust Bnch	5.14%	(13.77%)	1.68%	3.50%	5.14%
CAI Tgt Dt Idx 2015	5.01%	(13.02%)	1.39%	3.14%	4.64%
TIAA-CREF Lifecycle Ret. 2020	5.23%	(13.74%)	1.53%	3.07%	5.21%
LifeCycle 2020 Cust Bnchm	5.56%	(14.32%)	1.98%	3.79%	5.62%
CAI Tgt Dt Idx 2020	5.37%	(13.40%)	1.70%	3.44%	5.18%
TIAA-CREF Lifecycle Ret. 2025	5.86%	(14.51%)	1.95%	3.42%	5.74%
LifeCycle 2025 Cust Bnch	6.10%	(14.98%)	2.35%	4.17%	6.20%
CAI Tgt Dt Idx 2025	6.07%	(14.09%)	2.26%	3.94%	5.90%
TIAA-CREF Lifecycle Ret. 2030	6.57%	(15.42%)	2.35%	3.76%	6.27%
LifeCycle 2030 Cust Bnch	6.75%	(15.69%)	2.79%	4.58%	6.81%
CAI Tgt Dt Idx 2030	6.90%	(14.84%)	2.81%	4.42%	6.62%
TIAA-CREF Lifecycle Ret. 2035	7.52%	(16.16%)	2.75%	4.10%	6.80%
LifeCycle 2035 Cust Bnch	7.56%	(16.29%)	3.27%	5.01%	7.42%
CAI Tgt Dt Idx 2035	7.80%	(15.47%)	3.37%	4.89%	7.24%
TIAA-CREF Lifecycle Ret. 2040	8.27%	(16.82%)	3.25%	4.45%	7.31%
LifeCycle 2040 Cust Bnch	8.33%	(16.73%)	3.81%	5.46%	8.04%
CAI Tgt Dt Idx 2040	8.55%	(15.99%)	3.76%	5.21%	7.68%
TIAA-CREF Lifecycle Ret. 2045	8.93%	(17.48%)	3.74%	4.80%	7.71%
LifeCycle 2045 Cust Bnch	8.78%	(17.32%)	4.33%	5.86%	8.49%
CAI Tgt Dt Idx 2045	9.07%	(16.36%)	4.03%	5.42%	7.93%
TIAA-CREF Lifecycle Ret. 2050	9.11%	(17.83%)	3.80%	4.84%	7.78%
LifeCycle 2050 Cust Bnch	8.96%	(17.63%)	4.42%	5.93%	8.60%
CAI Tgt Dt Idx 2050	9.36%	(16.57%)	4.12%	5.49%	8.03%
TIAA-CREF Lifecycle Ret. 2055	9.20%	(17.96%)	3.83%	4.87%	7.85%
LifeCycle 2055 Cust Bnch	9.06%	(17.70%)	4.50%	6.00%	8.71%
CAI Tgt Dt Idx 2055	9.47%	(16.65%)	4.16%	5.52%	8.08%
TIAA-CREF Lifecycle Ret. 2060	9.25%	(17.99%)	3.93%	4.93%	7.94%
LifeCycle 2060 Cust Bnch	9.16%	(17.77%)	4.58%	6.06%	8.82%
Callan Tgt Dt Idx 2055	9.47%	(16.65%)	4.16%	5.52%	8.08%
T. Rowe Capital Appreciation Adv	5.42%	(12.18%)	6.94%	8.80%	9.53%
S&P 500 Index	7.56%	(18.11%)	7.66%	9.42%	11.48%



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NDPERS Quarterly Performance Review

Plan Performance Monitoring

As of December 31, 2022

	Last Quarter	Last Year	Last 3 Years	Last 5 Years	Last 7 Years
Large Cap U.S. Equity					
Franklin Growth Fund Advisor	7.00%	(24.89%)	6.30%	9.04%	11.40%
S&P 500 Index	7.56%	(18.11%)	7.66%	9.42%	11.48%
Wells Fargo Growth Adm	1.61%	(37.03%)	0.36%	6.85%	9.31%
Russell 3000 Growth Index	2.31%	(28.97%)	7.32%	10.45%	12.55%
Vanguard Dividend Growth Inv	13.11%	(4.88%)	9.99%	11.79%	12.21%
S&P 500 Index	7.56%	(18.11%)	7.66%	9.42%	11.48%
Vanguard Institutional Index	7.55%	(18.14%)	7.64%	9.40%	11.45%
S&P 500 Index	7.56%	(18.11%)	7.66%	9.42%	11.48%
Hartford Dividend and Growth R5	11.41%	(8.75%)	8.94%	9.43%	11.36%
S&P 500 Index	7.56%	(18.11%)	7.66%	9.42%	11.48%
T. Rowe Price Equity Income	12.88%	(3.28%)	7.19%	7.17%	10.09%
Russell 1000 Value Index	12.42%	(7.54%)	5.96%	6.67%	9.12%
Mid Cap U.S. Equity					
PGIM Jennison Mid-Cap Growth Z	8.42%	(23.81%)	6.70%	8.92%	10.07%
Russell MidCap Growth Idx	6.90%	(26.72%)	3.85%	7.64%	9.95%
Columbia Mid Cap Index Fund A	10.59%	(13.49%)	6.71%	6.19%	9.41%
S&P Mid Cap 400 Index	10.78%	(13.06%)	7.23%	6.71%	9.94%
Virtus Ceredex Mid-Cap Value I	12.19%	(13.92%)	3.13%	6.12%	8.81%
Russell MidCap Value Idx	10.45%	(12.03%)	5.82%	5.72%	8.73%
Small Cap U.S. Equity					
Brown Small Company Fund Investor	(3.01%)	(37.98%)	(4.78%)	2.07%	6.44%
Russell 2000 Growth Index	4.13%	(26.36%)	0.65%	3.51%	7.09%
DFA U.S. Small Cap Inst'l	10.12%	(13.53%)	7.88%	5.84%	9.01%
Russell 2000 Index	6.23%	(20.44%)	3.10%	4.13%	7.90%
Northern Small Cap Value Fund	10.05%	(10.40%)	3.42%	3.15%	6.84%
Russell 2000 Value Index	8.42%	(14.48%)	4.70%	4.13%	8.23%
Non-U.S. Equity					
AF New Perspective R4	8.42%	(25.87%)	5.17%	7.32%	9.33%
MSCI ACWI	9.76%	(18.36%)	4.00%	5.23%	8.10%
Vanguard Total Int'l Stock Adm	14.67%	(16.01%)	0.51%	1.09%	5.02%
FTSE GI All Cap ex US Idx	14.14%	(16.10%)	0.52%	1.10%	5.03%
Invesco Developing Markets Y	11.36%	(24.97%)	(6.49%)	(2.19%)	3.77%
MSCI EM	9.70%	(20.09%)	(2.69%)	(1.39%)	5.17%

Plan Performance Monitoring

As of December 31, 2022

	Last Quarter	Last Year	Last 3 Years	Last 5 Years	Last 7 Years
Fixed Income					
Vanguard Total Bond Index Adm	1.67%	(13.16%)	(2.75%)	(0.01%)	0.86%
Blmbg:Aggregate Flt Adj	1.85%	(13.07%)	(2.67%)	0.06%	0.94%
Baird Core Plus Bond Investor	2.43%	(13.09%)	(2.32%)	0.29%	1.47%
Blmbg:Universal	2.24%	(12.99%)	(2.54%)	0.18%	1.26%
MM Premier Infl-Pr and Inc Srv c	1.10%	(13.49%)	0.71%	1.69%	2.38%
Blmbg:TIPS	2.04%	(11.85%)	1.21%	2.11%	2.60%
PGIM High Yield Fund Z	3.63%	(11.64%)	(0.26%)	2.60%	5.06%
Blmbg HY Corp 1% Iss Cap	4.17%	(11.11%)	(0.12%)	2.17%	4.95%
Templeton Global Bond Adv isor	8.59%	(5.95%)	(4.96%)	(2.56%)	(0.57%)
FTSE WGBI	3.82%	(18.26%)	(5.75%)	(2.54%)	(0.58%)
Capital Preservation					
Wells Fargo Stable Value J	0.44%	1.40%	1.40%	1.66%	1.48%
3-month Treasury Bill	0.84%	1.46%	0.72%	1.26%	1.07%
Vanguard Treasury MM Inv	0.86%	1.50%	0.66%	1.18%	0.99%
3-month Treasury Bill	0.84%	1.46%	0.72%	1.26%	1.07%
Sector Funds					
Cohen & Steers Realty Shares	3.72%	(24.96%)	1.29%	5.76%	5.93%
FTSE NAREIT All Eq Index	4.14%	(24.95%)	0.20%	4.43%	5.62%



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NDPERS Quarterly Performance Review

Active Manager Monitoring Summary

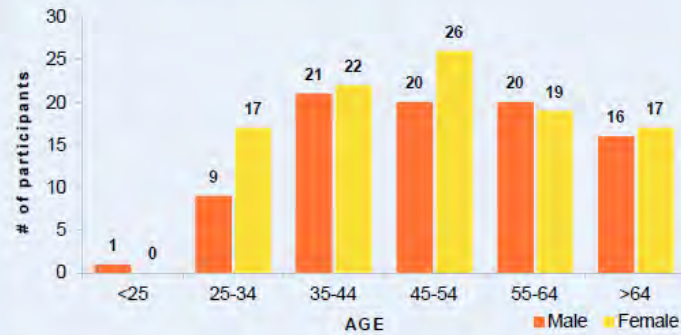
As of December 31, 2022

Manager	Below Benchmark	Above Benchmark		Above Peer Median		Qualitative Assessment					Overall Eval.
	8 Straight Quarters	3-Year Period	5-Year Period	3-Year Period	5-Year Period	Firm	Team	Process	Perf.	Product	
Large U.S. Equity											
Franklin Growth Fund	No	No	No	Yes	Yes						Stable
Allspring Growth	Yes	No	No	No	No						On Watch
Vanguard Dividend Growth	No	Yes	Yes	Yes	Yes						Stable
Hartford Dividend and Growth	No	Yes	Yes	Yes	Yes						Stable
T. Rowe Price Equity Income	No	Yes	Yes	Yes	Yes						Stable
Mid U.S. Equity											
PGIM Jennison Mid-Cap Growth	No	Yes	Yes	Yes	Yes						Stable
Virtus Ceredex Mid-Cap Value	No	No	Yes	No	Yes						Stable
Small U.S. Equity											
Brown Small Compay Fund	No	No	No	No	No						Stable
DFA U.S. Small Cap	No	Yes	Yes	Yes	No						Stable
Northern Small Cap Value Fund	No	No	No	No	No						Stable
Global Equity											
AF New Perspective	No	Yes	Yes	Yes	Yes						Stable
Invesco Developing Markets	No	No	No	No	No						Stable
Fixed Income											
Baird Core Plus Bond	No	Yes	Yes	Yes	Yes						Stable
MM Premier Infl-Pr and Inc Srvc	No	No	No	No	No						Stable
PGIM High Yield Fund	No	No	Yes	Yes	Yes						Stable
Templeton Global Bond	No	Yes	No	No	No						On Watch
Sector Fund											
Cohen & Steers Realty Shares	No	Yes	Yes	Yes	Yes						Stable

Assessment	Status and Actions
Stable	Firm, Team, Strategy are performing as expected
In Review	Callan is proposing that the fund be added to the watchlist
Cautionary	Staff is reviewing strategy with consultant and scheduling an update meeting with manager
Terminating	Following staff review and consultant recommendation, manager will be terminated following a successful replacement search

Employee summary: Gender and age¹

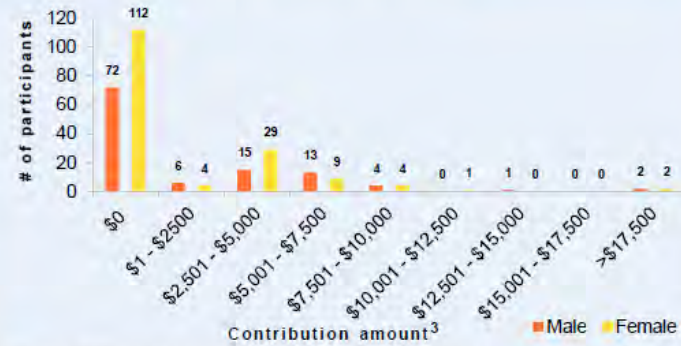
Demographics by Age and Gender



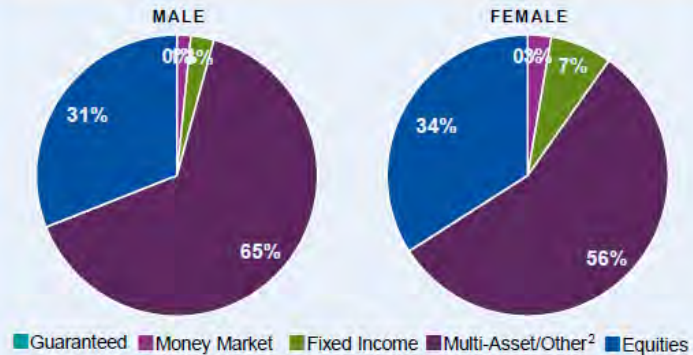
Average Account Balance by Age and Gender



Employee Contribution Amounts by Gender



Diversification by Gender



This report is as of the period ending 12/31/2022 and reflects the trailing 12 months of activity unless otherwise noted. The report includes all TIAA plans except 457(f), 457(b) Private, Nonqualified Deferred Compensation, and Retirement Healthcare plans. 1. Data reflected is for all participant statuses except Employee Contribution Amounts by Gender which includes only active or leave status. Does not include 271 participants with no age or gender on file. 2. Multi-Asset/Other includes Lifecycle, Real Estate, and Brokerage. 3. Contribution data reflects the trailing 12 months of data.

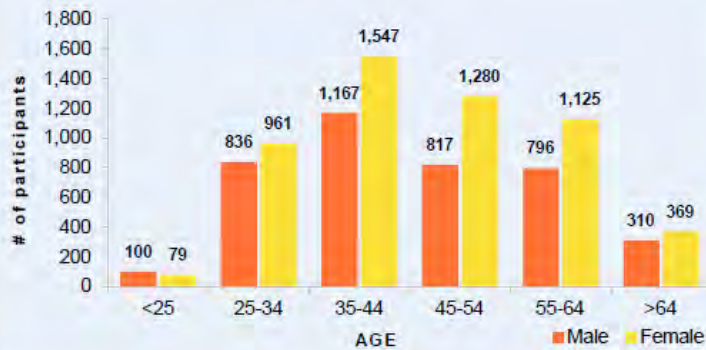
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North Dakota Public Employees

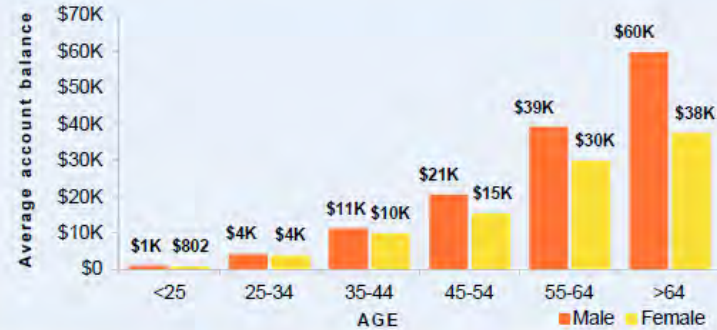
NORTH DAKOTA PUBLIC EMPLOYEES RETIREMENT SYSTEM COMPANION PLAN

Employee summary: Gender and age¹

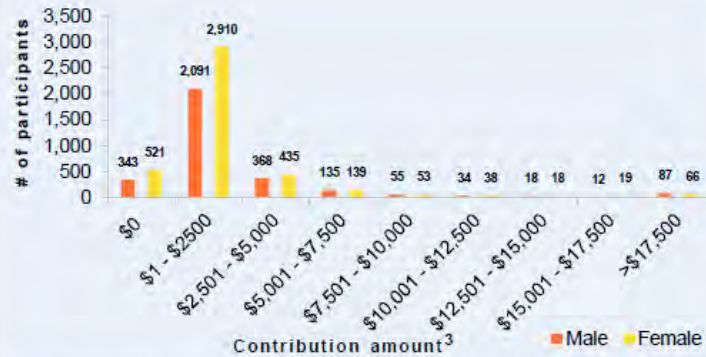
Demographics by Age and Gender



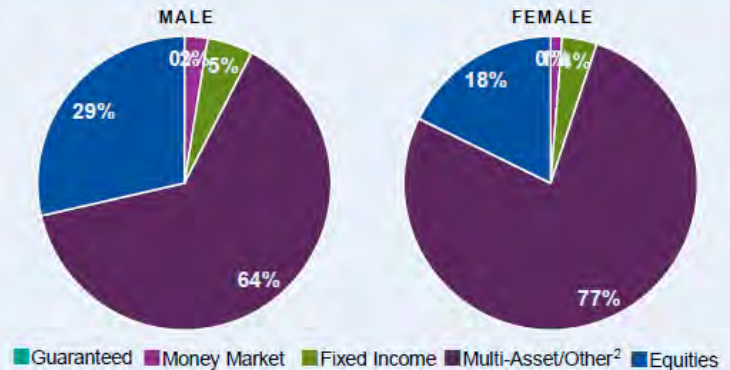
Average Account Balance by Age and Gender



Employee Contribution Amounts by Gender



Diversification by Gender



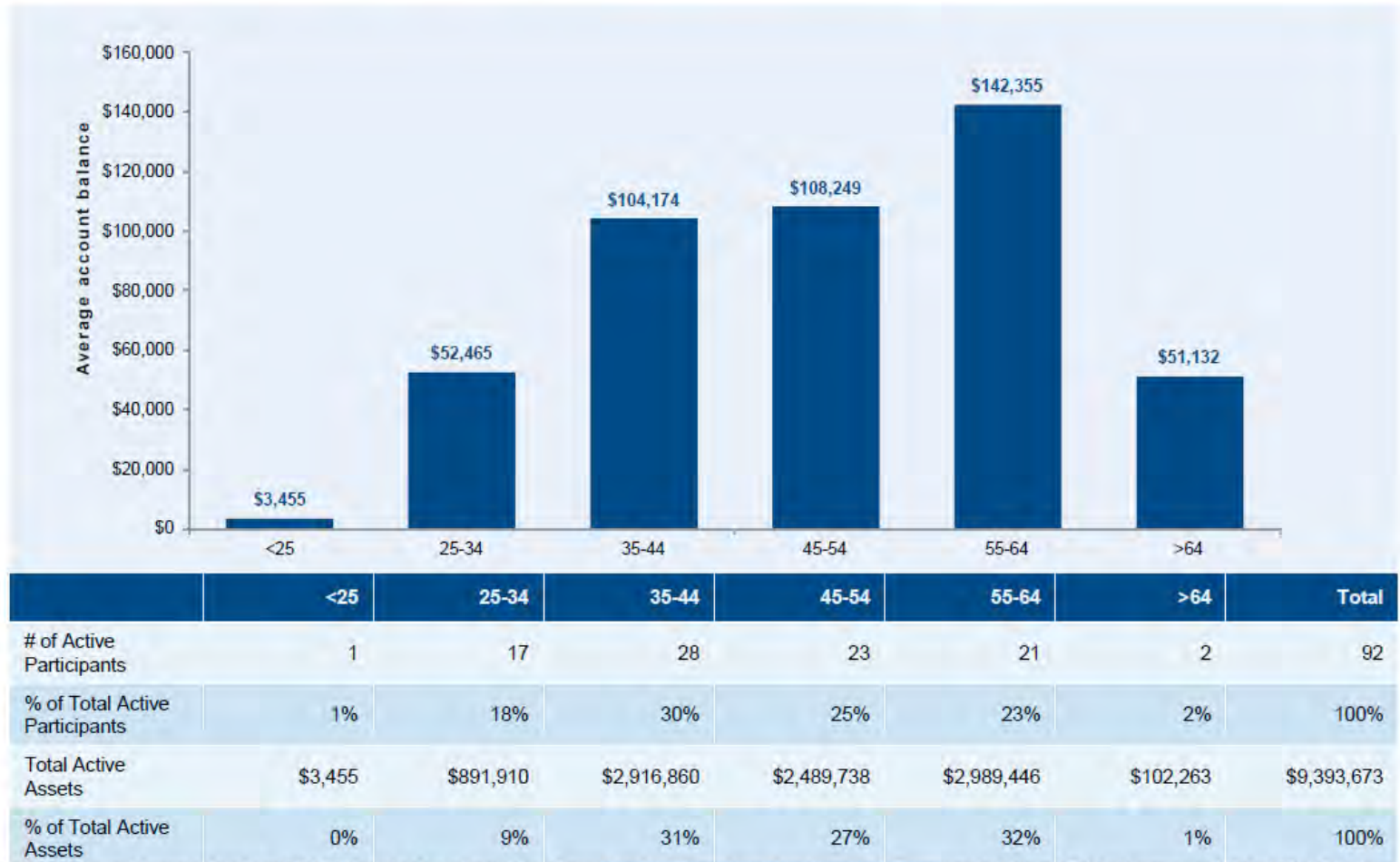
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NORTH DAKOTA PERS 401A DEFINED CONTRIBUTION PLAN

Active participants: Average account balance by age



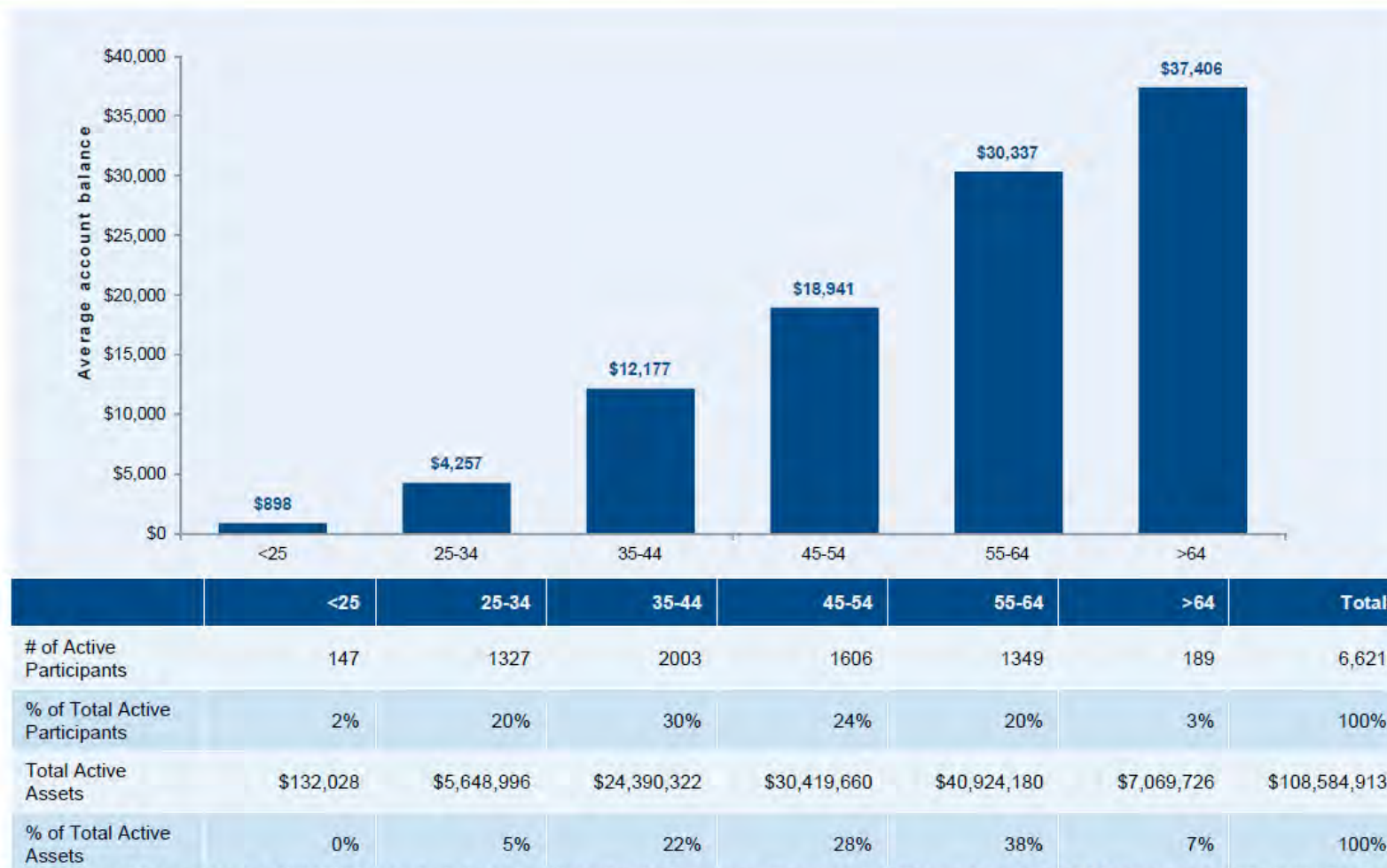
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NORTH DAKOTA PUBLIC EMPLOYEES RETIREMENT SYSTEM COMPANION PLAN

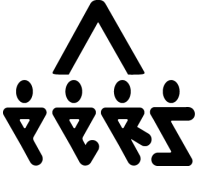
Active participants: Average account balance by age



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North Dakota Public Employees



Memorandum

TO: NDPERS Board

FROM: Katheryne Korom

DATE: March 14, 2023

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

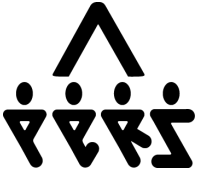
Rebekah Ferstadt and the team at Buck have completed their proposal review process. They will be available at the NDPERS Board meeting to provide an update on their findings and answer any questions.

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.

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

Board Action Requested: Direct staff on vendor selection or recommend candidates to interview in Special meetings before the end of March.



Memorandum

TO: NDPERS Board

FROM: Katheryne Korom

DATE: March 14, 2023

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

The Group Voluntary Vision Benefits Plan RFP was issued on February 1, 2023. Buck received a total of six questions, two of these were received after the deadline to submit questions. The responses were posted on March 10, 2023.

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.

Seven of the 11 firms that Buck consultants notified of the Group Voluntary Vision Benefits Plan RFP have returned the Non-Disclosure Agreement.

Vendor	Date NDA Received	Date Bid Package Sent	Notes
Aetna			No response
Aflac	2/2/2023	2/2/2023	
Ameritas			No response
Avesis			No response
Azurance Group, Inc.			No response
Blue Cross Blue Shield of ND	2/21/2023	2/21/2023	
EyeMed	2/2/2023	2/4/2023	Submitted 2 Questions
Humana	2/23/2023	2/23/2023	
MetLife / Superior Vision / Davis Vision	2/9/2023	2/9/2023	Submitted 1 Question
The Standard	2/1/2023	2/1/2023	
Vision Service Plan (VSP)	2/7/2023	2/8/2023	Submitted 3 Questions

Note: All organizations listed above with the exception of Humana received notification from NDPERS on 02/01/2023 regarding the availability of the RFP documents.

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

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

This update is informational.



Memorandum

TO: NDPERs Board
FROM: Katheryne Korom
DATE: March 14, 2023
SUBJECT: 2022 EAP Utilization

The following table shows the self-reported 2022 utilization from the NDPERs Employee Assistance Program (EAP) providers. The overall EAP utilization rate was 9.5% in 2022.

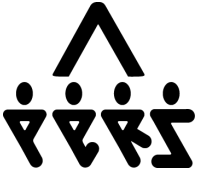
NDPERs Employee Assistance Program – 2022

	NDPERs TOTAL	Live Well	ENI	The Village	CHI
Contracts	15,384	166	2,721	7,568	4,929
Cases*	1,458	17	191	461	789
%	9.5%	10.1%	7.8%	6.1%	16.0%
Sessions	3,125	84	335	1,734	972
<u>Reported Case Types:</u>					
Psychiatric	952	6	189	327	430
Family/Personal	528	5	65	110	348
Work Problems	109	2	28	28	51
Financial/Legal	45	1	9	35	0
Drugs/Alcohol	38	2	6	4	26
Other/Unknown	58	1	38	2	17

* - Note that family members are also eligible for the EAP.

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

This update is informational.



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

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

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

Memorandum

TO: NDPERS Board

FROM: Rebecca

DATE: March 14, 2023

SUBJECT: SHP 2022 Performance Guarantee Related to Fitness Center Reimbursements

At the February Board meeting, Sanford Health Plan (SHP) reviewed the performance guarantees with measurements as of December 31, 2022. Attachment 1 provides details on the guarantees that were missed, along with the monetary amount that will be paid to NDPERS. Attachment 2 is a summary of all the performance guarantees that were measured.

During the review, discussion occurred regarding the Fitness Center Reimbursement guarantee that was missed. SHP asked the Board if they would consider waiving the forfeiture amount of \$10,000 due to the continued impact of COVID. At the June 2021 Board meeting, the Board had waived this amount due to the impact of COVID during the 2019-2021 biennium (Attachment 3). SHP indicated that they continue to see more members utilizing home fitness equipment and being hesitant to return to fitness centers. The Board requested SHP provide any supporting reports or research. Please see Attachment 4 for SHP's response. Similar to what was done in 2021, staff have reached out to Deloitte for input regarding the request and whether they are seeing similar modifications or exemptions with other clients. Information will be shared at the Board meeting regarding their input.

In addition, staff wanted to provide the Board with the timeline related to the development of the current performance guarantees.

- The Performance Guarantees were part of the Request for Proposal released on June 1, 2020. Specifically, the Fitness Center Reimbursement performance guarantee was the same as the current version.
- SHP responded to the RFP in July 2020, agreeing to all listed performance guarantees.
- In October 2020, SHP was awarded the contract for the health insurance plan for the 2021-2023 biennium.
- At the January 2021 meeting, the Board approved the Administrative Services Agreement with SHP and directed staff to continue development of exhibits referenced in the agreement to bring before the Board for approval at their June 2021 meeting. The performance guarantees are one of these exhibits.
- During the months of January through May 2021, NDPERS and SHP staff worked on various exhibits, including the performance guarantees. SHP requested modification on six performance guarantees. Staff agreed to bring these modifications forward to the Board for approval. However, SHP did not request a modification to the fitness center reimbursement guarantee.
- The NDPERS Board approved Exhibit B for the Administrative Services Agreement at the June 2021 meeting. The Board approved the six guarantee modifications requested by SHP (Attachment 5). Again, this did not include a modification to the fitness center reimbursement guarantee.

Board Action Requested:

Determine if an exemption or modification should be made to the performance guarantee not met related to the Fitness Center Reimbursement.

Attachment 1

January 31, 2023

Scott Miller, Executive Director
North Dakota Public Employees Retirement System
PO Box 1657
Bismarck, ND 58502-1657

Dear Scott,

The purpose of this letter is to provide a summary of the results of the 2022 Performance Guarantees described in Exhibit B of the 2021 -2023 Administrative Services Agreement. The results of Performance Guarantees equate to meeting or exceeding twenty-seven of the thirty-two guarantees. For those five that were not met, a \$50,500.00 payment will be made to NDPERS. Below you will find a summary of payment due for the unmet measures.

Measurement #	Description	Performance	Forfeiture Due
#2	Customer Satisfaction Survey	Partially Met	\$25,000.00
#5	Electronic Eligibility Files	Predominately Met	\$500.00
#11	Diabetes Prevention/ Exercise is Medicine	Partially Met	\$5000.00
#12	Fitness Center Reimbursement	Unmet	\$10,000.00
#23	Average Speed of Answer	Unmet	\$10,000.00
Total Payment Due			\$50,500.00

Sincerely,

Steve Webster
Sanford Health Plan

Enclosure: Exhibit B to the 2021-2023 Administrative Services Agreement
2022 Performance Guarantee Results
Summary of how Performance Guarantee #5 was measured.



Health Plan Performance Guarantees July 2021-2023 Final Results

Attachment 2

	Requirement	Value of Forfeiture	Results
1	Within ten (10) calendar days following delivery of performance reviews to NDPERS, vendor shall develop and submit a corrective action plan (CAP) of issues identified for approval by NDPERS, and implement such plan within the time prescribed in the approved CAP.	<i>Semi- annually</i> \$1,000 per calendar day beyond the due date	MET
2	<p>Measurement Missed: Promised follow-up reached 84%; Answers clear and complete reached 87%; and three survey questions requiring 90% were not met: 89%, 88%, and 87% respectively.</p> <p>Member satisfaction surveys will be designed by the vendor and approved by NDPERS. Vendor will invite a random sample of members to participate in the survey to collect a statistically significant number of completed surveys.</p> <p>Using a 1-5 scale of Completely Satisfied, Very Satisfied, Satisfied, Dissatisfied, Very Dissatisfied, the following member satisfaction rates will be met as follows:</p> <ul style="list-style-type: none"> • <i>Promised follow- up and EOB understanding</i> will meet 87% or higher. • <i>Representative answers were clear and complete</i> will meet 88% or higher. • The remaining survey results will meet 90% or higher. <p>Final survey questions and methodology will be agreed upon by vendor and NDPERS.</p>	<i>Biannually (every 2 years)</i> \$25,000	MISSED
3	NDPERS requires monthly team meetings to address all planning / implementation, business, financial, clinical / formulary (including new drug review) and operational needs.	<i>Monthly</i> \$5,000 for each meeting missed	MET
4	Vendor will participate in quarterly performance reviews to examine operational and financial performance.	<i>Quarterly</i> \$5,000 for each quarter missed	MET
5	<p>Measurement Missed: One file was not completely completed within 18 business hours.</p> <p>Eligibility files will be uploaded within eight (8) hours of regularly scheduled NDPERS file submission date and time. All transactions within the file will be completed by SHP within eighteen hours (18) of the regularly scheduled date/ time, excluding errors requiring corrective action taken by NDPERS before the data can be uploaded and completed. Off- schedule file sends will be completed upon mutual agreement of NDPERS and SHP.</p>	<i>Measured quarterly, reported annually.</i> \$500 for each missed file deadline	One file did not meet 18 business hours totaling \$500.00 due

	Requirement	Value of Forfeiture	Results
6	Manual eligibility will be loaded within eight (8) hours upon receipt or notification and must be applied and active in the vendor's system within one (1) business day, excluding transactions requiring information or corrective action to be taken by NDPERS to complete eligibility.	<i>Measured quarterly, reported annually.</i> \$500 for each missed file deadline	MET
7	The error report will be completed by SHP within eighteen hours (18) of the regularly scheduled file submission date and time.	<i>Measured quarterly, reported annually.</i> \$500 for each missed file deadline	MET
8	Monthly data files (membership, medical, pharmacy) will be available by the 15 th of the following month.	<i>Monthly</i> \$1,000 for each month not met	MET
9	By June 30, 2023, at least 17% of eligible NDPERS members will have completed a Health Risk Assessment.	<i>Executive Summary (Quarterly)</i> 16.99%-15% = \$2,500 14.99%-12.01% = \$5,000 12% or less= \$10,000	2023
10	By June 30, 2023, at least 75% of participating employer-based wellness program agencies will have implemented a worksite intervention (i.e., wellness consultation, fruit program, break room assessment, wellness training, screening & prevention event, walking program, etc.).	<i>Executive Summary (Quarterly)</i> \$5,000 if not achieved	2023
11	Measurement Missed: 3% increase over CY 2021 was not met by December 31, 2022 By December 31, 2022, the Diabetes Prevention Program participation will increase by 3% over the Per Member Per Year (PMPY) from January 1, 2021– December 31, 2021. Met: By December 31, 2022, the Exercise is Medicine Program participation will increase by 3% over the PMPY from January 1, 2021 – December 31, 2021.	<i>Executive Summary (Quarterly)</i> \$5,000 if not achieved	MISSED
12	Measurement Missed: 2.9% of members received fitness reimbursement. By Dec. 31, 2022, at least 5% of eligible members will receive the fitness center reimbursement in at least one month during the 2022 calendar year.	<i>Executive Summary (Quarterly)</i> 4.9-4% = \$2,500 3.9-3% = \$5,000 2.9 or less = \$10,000	MISSED
13	1. By Dec. 31, 2022, \$800,000 will be paid out in the wellness redemption center for the 2022 calendar year. 2. By Dec. 31, 2022, 8% of eligible members will have processed a redemption for wellness activity during the 2022 calendar year.	<i>Executive Summary (Quarterly)</i> \$799,999-700,000 = \$2,500 \$699,999-600,000 = \$5,000 \$599,000 or less= \$7,500	MET
14	By June 30th, 2022, the percentage of eligible NDPERS members enrolled will increase by a growth rate of 2.5% over the percentage of eligible NDPERS members enrolled from July 1, 2020 – June 30, 2021.	<i>Executive Summary (Quarterly)</i>	MET

	Requirement	Value of Forfeiture	Results
		\$15,000 if not achieved	
15	Breast cancer screening rates will be at least 80%	<i>Executive Summary (Quarterly)</i> \$15,000	2023
16	Cervical cancer screening rates will be at least 85%	<i>Executive Summary (Quarterly)</i> \$15,000	2023
17	Colorectal cancer screening rates will be at least 60%	<i>Executive Summary (Quarterly)</i> \$15,000	2023
18	Vendor shall maintain ninety-two (92%) percent or more of hospitals, practicing MD's and DOs of the proposed network.	<i>Calculated Semi- Annually</i> <i>Executive Summary (Quarterly)</i> \$75,000	MET
19	Claims Financial Accuracy will be 99% or greater, each year of the biennium. Measured as the absolute value of financial errors divided by the total paid value of audited dollars paid based on quarterly internal audit of statistically valid sample.	<i>Executive Summary (Quarterly)</i> \$12,500 for each year of the biennium	MET
20	Claims Payment incidence Accuracy will be 98% or greater, each year of the biennium. Measured as the percent of Claims processed without financial payment error.	<i>Executive Summary (Quarterly)</i> \$12,500 for each year of the biennium	MET
21	Claims Procedural Accuracy will be 95% or greater, each year of the biennium. Measured as the percent of Claims processed without non-financial error.	<i>Executive Summary (Quarterly)</i> \$12,500 for each year of the biennium	MET
22	Clean claims processing within 14 calendar days will be 95% or greater, each year of the biennium. Measured from the date the claim is received to the date claim is processed.	<i>Executive Summary (Quarterly)</i> \$12,500 for each year of the biennium	MET
23	Measurement Missed: The result was 96 seconds. Average Speed of Answer will be 30 seconds or less, each year of the biennium. Vendor will have an established measurement process that shall be reviewed with NDPERS.	<i>Executive Summary (Quarterly)</i> \$10,000 per year	MISSED
30	Call Abandonment rate will be 5% or less, each year of the biennium.	<i>Executive Summary (Quarterly)</i> \$10,000 for each year of the biennium	MET

	Requirement	Value of Forfeiture	Results
24	a.) 95% of inquires must be resolved during the initial call, excluding appeals, billing errors, and escalations. b.) 95% of written inquires must be responded to within 24 business hours of date stamp of receipt, excluding appeals, billing errors and escalations.	<i>Executive Summary (Quarterly)</i> \$12,500 per year	MET
25	One hundred percent (100%) of all confirmed overpayments identified from participating Sanford HealthPlan participating providers shall be recovered within 90 days when the overpayment can be deducted from the payment cycle. Refunds from nonparticipating providers will be deducted from future payments. A refund request will be submitted for nonpayment after 90 days.	<i>Annually</i> \$12,500 per year	MET
26	Sanford Health Plan shall meet NDCC, 26.1-47-03 which defines appropriate access and availability for primary care providers as 50 miles for primary care physicians if eligible providers exist within 50 miles of the home ZIP Code.	<i>Annually</i> \$5,000 for each full % below	MET
27	Sanford Health Plan shall meet NDCC, 26.1-47-03 which defines appropriate access and availability for primary care providers as 50 miles for Pediatricians if eligible providers exist within 50 miles of the home ZIP Code.	<i>Annually</i> \$5,000 for each full % below	MET
28	Sanford Health Plan shall meet NDCC, 26.1-47-03 which defines appropriate access and availability for Specialists and OBGYNs if eligible providers exist within 50 miles of the home ZIP Code.	<i>Annually</i> \$5,000 for each full % below	MET
29	Sanford Health Plan shall meet NDCC, 26.1-47-03 which defines appropriate access and availability for hospital if eligible providers exist within 50 miles of the home ZIP Code.	<i>Annually</i> \$5,000 for each full % below	MET
30	Payments will be made within 5 business days of approval to NDPSC for the About the Patient program.	<i>Executive Summary (Quarterly)</i> \$10,000 per year	MET
31	Funds Held by Vendor. Rate as determined by NDPERS and vendor.	<i>Executive Summary (Quarterly)</i> \$5,000 per occurrence	MET

	Requirement	Value of Forfeiture	Results
32	98% within two (2) business days if no intervention required.	<i>Executive Summary (Quarterly)</i> \$1,000 for each point below standard	MET
33	99.9% Mail service dispensing accuracy rate. Fields measured include member name, drug strength, directions, quantity, and prescriber name.	<i>Annually</i> \$12,500 for each year of the biennium	MET
34	Vendor is required to report the volume of prescription orders delayed and the volume of communication made to the affected member of said delay.	<i>Annually</i> \$12,500 for each year of the biennium	MET
35	PBM Specialty Pharmacies guarantee on time delivery of Specialty Drugs by the Member “needs by” date at least ninety eight percent (98%) of the time.	<i>Annually</i> \$12,500 for each year of the biennium	MET
36	Pharmacy network composition will not be reduced by more than 5% in North Dakota compared to the network submitted in the RFP.	<i>Annually</i> \$12,500 for each year of the biennium	MET
37	Vendor will guarantee a minimum provider discount from in-network providers of at least 30% be calculated as (1- (Allowed/Billed Charge)).	<i>Calculated Semi Annually</i> <i>Executive Summary (Quarterly)</i> \$500,000	MET

Forfeiture values are over the entire biennium and any forfeiture will be paid within 30 days of the run-out period required to calculate the Performance Guarantee criteria.



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

Attachment 3

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

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

Memorandum

TO: NDPERS Board

FROM: Rebecca

DATE: June 8, 2021

SUBJECT: 2019-2021 Performance Guarantee Analysis

At the May Board meeting, Sanford Health Plan (SHP) provided an update regarding the 2019-2021 Performance Guarantees, specifically discussing those that will likely not meet the required threshold for the biennium. SHP indicated that the reason they felt the threshold would not be met was due to the impact of COVID-19 on the membership. The Board requested that staff and SHP review whether the Board could consider modifications or exemptions of these performance guarantees in light of the pandemic.

The attachment provides further detail for the Board's consideration regarding the guarantees that SHP feels they will not obtain due to COVID-19. The three guarantees in question are the Fitness Center Reimbursements, Cervical Cancer Screenings and Breast Cancer Screenings.

In addition as outlined in the attachment, SHP did find that for the first biennium with them, the Board did approve an exemption to a performance guarantee as it was determined it was not obtainable. Deloitte was consulted at the time and concurred with SHP's determination. Therefore, staff asked Deloitte to review the attachment to determine if they feel a modification or exemption on these guarantees is reasonable due to the impact of COVID-19 and also what they are experiencing with other clients. Deloitte indicated that they are aware of other clients that have modified or exempted guarantees due to the impact of the pandemic. Specifically, they provided details that the State

of Minnesota exempted a suite of claims-based guarantees that included High Tech imaging PMPM trend, Medical Drug PMPM trend, Inpatient admit and specialist visit trends and Disease management program performance metrics. Although they do not have specific guarantees similar to those that NDPERS has related to fitness center reimbursements and cancer screenings, Deloitte indicated that if they had, they believe Minnesota would have also exempted those. Deloitte indicated they agree that the pandemic significantly impacted SHP's ability to meet the required measurement for the performance guarantees.

Staff does recognize that due to COVID-19, fitness centers were closed and even upon reopening, members may have been hesitant to utilize the facilities due to concerns of exposure to COVID. In addition, many clinics were closed for routine screenings and were only open for urgent or emergency care. Once reopened, members may have continued to delay having their screenings done due to concerns with exposure to COVID. Therefore, should the Board wish to modify or exempt these performance guarantees for the 2019-2021 biennium, staff do not have concerns with this decision.

Board Action Requested:

Determine if an exemption or modification should be made to any of the three performance guarantees that SHP will not meet for the 2019-2021 biennium.

Memo

To: Scott Miller, Rebecca Fricke
From: Steve Webster
Date: March 2, 2023
Re: Fitness Center Utilization Trends

This memo is in follow up to a request from the February 14, 2023 Board meeting whereby Sanford Health Plan was directed to provide research surrounding the impact COVID on Fitness Center participation. In our research, we were limited to trends at a national level and found minimal regional information. Please note a copy of the article is supplied if an email address was required.

<https://www.siouxfalls.business/fitness-training-goes-digital-with-greatlifes-new-program-for-all/>

Siouxfalls.Business

Jodi Schwan, February 15, 2023

<https://www.wellnessliving.com/blog/future-fitness-industry-consumer-trends-recovery-solutions/>

Wellnessliving

Tuesday, May 31, 2022

Linked articles:

- <https://www.alliedmarketresearch.com/virtual-online-fitness-market>
- <https://runrepeat.com/gyms-reopening-coronavirus>
- <https://runrepeat.com/gym-members-not-returning>
- <https://www.ihrsa.org/improve-your-club/industry-news/how-many-health-clubs-gyms-and-studios-closed-in-2021/>

<https://www.fortunebusinessinsights.com/u-s-home-fitness-equipment-market-106595>

Fortune Business Insights

April, 2022

https://journals.lww.com/acsm-healthfitness/Fulltext/2022/01000/Worldwide_Survey_of_Fitness_Trends_for_2022.6.aspx

By Walter Thompson, Ph.D, FASCSM

February 2023 NDPERS Board Meeting

ACSM's Health & Fitness Journal, January 2, 2002

<https://www.bloomberg.com/news/articles/2021-01-19/fitness-industry-may-never-return-to-its-old-ways-after-covid-19?leadSource=uverify%20wall>

By Jackie Davalos

Bloomberg, January 19, 2021

After a year in which people spent months cooped up at home getting very little exercise, New Year's resolutions have taken on a little more weight in 2021. The fitness industry can attest. Despite the coronavirus restricting gym capacity while shuttering some entirely, the traditional January spike in memberships has matched—and in some ways exceeded—those of years past. Part of that can be tied to the predictable explosion of online classes, and a move toward maintaining mental as well as physical health.

"It's not about bikini body goals, because who knows when we're going to go on vacation again," said Josh McCarter, chief executive officer of the fitness booking platform MindBody. "Covid-19 has pushed people to think about health more holistically."

MindBody said it's on track to match the typical 30% increase it usually sees in the new year, largely thanks to the pivot to virtual workouts. About 50% of the platform's virtual bookings are now for yoga as more customers seek classes focused on mindfulness. "In addition to physical well-being, one's emotional, mental, and spiritual fitness has become a bigger priority." The online shift is contributing to what experts said will be a permanent change to how the \$32 billion industry works. While 75% of consumers surveyed said they will eventually return to pre-pandemic routines and the actual gym, many indicated they will retain a virtual component—a phenomenon with broad implications for the sector.

Covid-19 has accelerated adoption of a hybrid model of online/in-person workouts that more brick-and-mortar gyms are likely to retain when the pandemic recedes. Fitness club-owners grappling with declining memberships have quickly caught on, with 72% now offering on-demand and livestream group workouts, up from 25% in 2019, according to fitness research firm ClubIntel. At the peak of gym closures last March, McCarter said class bookings everywhere fell as much as 85%. In the U.S., the return to in-person studio classes has been uneven, thanks in part to varying state and local restrictions. In New York and California for example, bookings were roughly 50% of 2019 numbers, whereas in states such as Arizona and Georgia they were down only 15%.

Lifestyles that became suddenly sedentary—with no commuting, no travel, and lots of working from home and remote-learning—upended fitness regimes. A November study by ClubIntel of 2,000 U.S. gym members revealed that 54% of those surveyed either froze or cancelled their memberships. For people who have continued some kind of exercise routine, virtual fitness has been key. Home workouts were gaining traction even before Covid-19, led by companies such as Peloton and Mirror. In December, Apple rolled out a virtual fitness subscription service called Fitness+ built for the Apple Watch and compatible with iPhones, iPads, and the Apple TV for \$9.99 a month or \$79.99 per year. Since the start of the pandemic, some 80% of fitness consumers live-streamed workouts compared with 7% in 2019, according to a MindBody survey.

By September, when more than 87% of fitness clubs across the U.S. had reopened, 60% of members still didn't return to gyms while 20% had stopped exercising altogether, according to ClubIntel. "When their commuting patterns change, workout patterns change," said Jason LaRose, CEO of Equinox Media, a subsidiary of Equinox Group tasked with expanding the luxury gym operator's digital platform. Even with the Covid-19 vaccine rollout slowly underway, the in-person fitness experience is still marred by fear, and will remain so for some time to come.

Of the respondents who stopped going to a gym, 57% cited a lack of confidence Covid-19 was sufficiently under control to warrant returning, ClubIntel's study found. The shift to virtual workouts, however, increased access to different types of classes. It also highlighted the need for balance between physical and mental well-being, said LaRose. "We've seen an incredible uptick in meditation since the beginning of the pandemic," LaRose said. And interest is continuing in the new year—he cited a 25% increase in meditation classes for the week ending Jan. 2. "It's a testament of how people's thinking around overall wellness has been expanded."

While 2021 may be looking up for the industry, 2020 was a nightmare for gyms and physical fitness. States began mandating health club closures in mid-March. By April 6, 48 out of 50 states had forced gyms to shutter. During this time, physical activity levels in the U.S. declined by 48%, according to health data analytics platform Evidation.

As some lockdown orders and business restrictions lifted in May, gyms predominantly in the South and West began to reopen, part of a regional trend that presaged the second, summer wave of infections. As that surge ebbed, more closures were lifted at fitness facilities in other regions, including states such as New Jersey, New York, and Michigan. But the damage was already done. The fitness lobby group International Health, Racquet, and Sportsclub Association (IHRSA) estimated that as of Sept. 30, 15% of gyms had permanently closed. It also reported that the industry lost more than \$15 billion in revenue and cut 480,000 jobs. Several large brands have filed for bankruptcy since the pandemic began. Gold's Gym, 24 Hour Fitness, and Town Sports International (which includes New York Sports Clubs), all filed for Chapter 11 restructuring. Meanwhile, Flywheel filed for Chapter 7 and closed all of its studios.

Chris Rondeau, CEO of the gym chain Planet Fitness, said that—on average—workouts at facilities are at about 70% of last year's volumes, compared with 30% when it started reopening in May. At the onset of the pandemic, the company ramped up digital content on its app and launched a digital subscription in November for \$5.99. "A legacy of the pandemic is that people know how to juggle various things at home now. When the pandemic dies down, digital options will be a substitute they're familiar with if they don't have time to make it to the gym," he said. "It's ingrained in habits now." Most virtual workouts can be done via mobile phones, iPad or a laptop. It's as easy propping up a device on a coffee table and following along in your living room. Some are pre-recorded and allow for pausing or rewinding. Others are live-streamed, which helps mimic the experience of exercising with a group.

Planet Fitness partnered with interactive fitness platform iFit to develop more premium workout content. The subscription is open to anyone and doesn't require a Planet Fitness in-person gym membership. In fact, about 20% of app-holders aren't members, Rondeau said. Though 90% of its 2,086 locations are now open, the company dialed down its marketing efforts significantly in 2020. "It's not as much a cancellation issue as it is a join issue because we weren't driving sales," Rondeau explained. This year is still an open question. "The first four months of

the year are always really important for us,” he said. “We’ve seen people excited about returning, but we’re still going to have to claw our way back.”

Over at Equinox, the chain responded to March lockdowns by launching Variis, a streaming app that offers on-demand fitness content. It seeks to recreate the in-person experience of cult-favorite fitness brands like SoulCycle (which is owned by Equinox), Precision Run and Pure Yoga. With the exception of cycling, most classes on Variis require minimal equipment, from dumbbells to a yoga mat. Equinox sells its SoulCycle-branded at-home bike for \$2,500, a purchase that also grants users access to the entire Variis platform, which would otherwise cost \$40 a month. Equinox members get access for free as part of an in-person gym membership.

According to LaRose, members who use the app are working out almost 20% more per month compared with last year, a sign that even as some studios open their doors, virtual workouts remain a sizeable part of routines. Whether people have an hour in between Zoom meetings or just 10 minutes, many are squeezing in multiple virtual workouts every day across a range of modalities, including running, circuit training or Pilates, he said.

The pandemic has also heightened the importance of cardiovascular health. Obesity can triple the risk of hospitalization due to Covid-19, decreasing lung capacity while impairing immune function. “People are getting a head-start on strengthening their overall health thanks to virtual workouts,” McCarter said. “It also breaks down the ‘gym-timidation’ that deters some people from going to a studio in-person.” While big health clubs like Equinox and Planet Fitness haven’t increased membership prices, the cost per in-person class at boutique fitness studios rose 20% on average, according to McCarter. Restrictions on capacity and operational expenses tied to the pandemic were to blame. However, prices for virtual classes dropped about 20%. “The future is a blend of digital and physical. Despite the fact that some of the storefronts are shrinking, consumer demand is booming as people aim for a balance between mental and physical health,” LaRose said. “The stakes are higher now.”

<https://www.washingtonpost.com/road-to-recovery/2021/01/07/home-fitness-boom/>

The pandemic’s home-workout revolution may be here to stay

By Hamza Shaban

January 7, 2021 at 8:04 a.m. EST

The sweat used to pour at Philly Dance Fitness, where Deborah Hirsch offered a full array of classes to hip-hop, Zumba and Bollywood beats. But the coronavirus crisis has mostly cleared out her studios, forcing her to go where her clients are: home. Now she live-streams more than 35 classes a week, a pivot that has kept her business afloat at a time of dizzying growth for all things fitness-related. Sales of fitness gear, gadgets and apparel have skyrocketed during the pandemic as homebound consumers have scrambled to build home gyms, loaded up on sneakers and downloaded fitness apps by the millions. “As soon as the lockdowns took effect, the home-fitness business took off like wildfire,” said Matt Powell, vice president and senior industry adviser for the NPD Group, a market research company.

Americans spent heavily across all price points, from \$3,000 cardio machines to \$20 yoga mats. They also hit the running and hiking trails in earnest — Yellowstone National Park recorded its busiest [September](#) and [October](#) on record — and embraced other outdoor activities to escape the monotony of stay-at-home life. Health and fitness equipment revenue more than doubled, to \$2.3 billion, from March to October, according to NPD retail data. Sales of treadmills soared 135 percent while those of stationary bikes nearly tripled, depleting inventories. The trend has stretched through seasonal changes: The surge in bicycle and kayak purchases recorded in the spring and summer is now manifesting in cold-weather gear such as cross-country skis, snowshoes and outerwear. Demand for equipment that can be used close to home or outdoors is “off the charts,” said Ben Johns, general manager for action sports for REI. Fire pit sales in the fall grew sixfold year over year, he noted. “People clearly have looked to outdoor activities as a way to escape the realities that we all have to deal with.” But 2020 also was a punishing year for gyms. Hirsch, the founder and president of [Philly Dance Fitness](#), said business was flourishing at the beginning of the year. She was looking to expand, intent on moving from subleased locations to a spacious studio of her own. Some of her clients were running through final rehearsals of “Take It Off Broadway,” a jazz and burlesque dance show inspired by musicals.

But that changed in March, when the pandemic took hold. Like other small-business owners, Hirsch said, the sudden blow of government-mandated closures slashed revenue dramatically. Since then, any move toward recovery has gotten squeezed by capacity constraints and generalized anxiety that has kept potential drop-ins away. “The reason we are still here right now is because I haven’t been paying full rent,” she said. “If we had to pay full rent we’d be done.” Now, amid a just-lifted citywide gym closure, Hirsch is just hoping to outlast the pandemic. “Prior to covid, my job was to figure out what classes people like, find the best instructors and create a really awesome in-studio experience,” she said. “Now my job is to make sure they are good on live streams, troubleshoot tech issues and coordinate all of it so we can market it to audiences. It’s another layer of work that has been really challenging.” Just as the virus has thrashed a specific set of industries while rewarding others — owing to the unique contours of public safety measures and the dynamics of the stay-at-home economy — segments within industries have been crushed or favored in similar ways.

Perhaps no fitness company better illustrates the explosive sales growth brought on by the pandemic as much as Peloton. Demand for its Internet-connected bikes soared in the spring and summer as gyms were shuttered or restricted and households invested in basement gyms. The company reported revenue of \$758 million, a 232 percent increase from the same period the previous year.

The stay-at-home economy sent Peloton stock soaring more than 400 percent in 2020 and helped catapult it into profitability. The company is focused on growth, and has announced a partnership with Beyoncé; the release of a premium bike and a more affordable treadmill; and the acquisition of fitness equipment maker Precor, for \$420 million, to ramp up production capacity and expand into the commercial market.

“We certainly want the world to get back to normal, just like everyone else,” said Brad Olson, chief membership officer. “We do believe that the pandemic has compelled consumers to reevaluate their fitness routines and many have discovered that the best, most connected workout can actually be experienced at home.”

Other connected fitness companies have also had significant growth spurts. After Mirror, the maker of the reflective-glass fitness device, was acquired by Lululemon Athletica, it expected to have ended 2020 with \$150 million in revenue, up from a previously projected \$100 million, according to company forecasts. And Tonal, the wall-mounted, strength-training home gym, reported a staggering 700 percent year-over-year increase in sales in 2020.

Americans were not just buying up high-end, screen-centric devices. When public health measures first led to gym closures in the spring, retail data showed massive sales spikes for an array of recreational and fitness merchandise, from dumbbells and roller skates to surfboards and golf clubs.

Dick's Sporting Goods said same-store sales jumped by double digits during its most recent quarter, the retailer's best performance since it went public nearly two decades ago.

Fitness app downloads soar

While the at-home workout trend has been accelerating for years — propelled further because of the coronavirus — so too has the consolidation of gyms, analysts say. Mid-tier players have been squeezed by premier clubs such as Equinox and Life Time Fitness, and more affordable gyms, like Planet Fitness.

Since the pandemic struck, membership rolls have evaporated, shoving some of the most financially vulnerable companies into insolvency. Gold's Gym, 24 Hour Fitness and Town Sports International, the owner of the New York Sports Clubs and Lucille Roberts chains, all filed for bankruptcy protection in 2020.

Camilla Yanushevsky, an equity analyst at CFRA Research, likens the financial struggles of mid-priced gyms to beleaguered retailers that were too slow to adapt to the world of digital apps and burdened by high debt loads. Analysts note that Equinox, on the luxury end, and Planet Fitness, on the value end, were both quick to launch workout apps in the early weeks of the outbreak, keeping their members engaged, even if they couldn't pump iron or practice yoga at their physical locations. "Our app consumption went through the roof," said Chris Rondeau, chief executive of Planet Fitness, noting that online engagement fell once gyms began to reopen and members returned for in-person workouts. "It's a good supplement," he said. "Everybody has a kitchen, but everyone goes out to eat because it's a little bit more enjoyable." Boutique studios face their own obstacles. Largely locked out from high-dollar lending, and constrained by capacity restrictions or outright closures, small-business owners confront encroachment from the home-fitness companies targeting their clientele as well as the polished live streams and virtual apps that require robust investments to produce.

"When this shutdown happened we were put on the playing field with major national companies that had been live-streaming for years," said Hirsch of Philly Dance Fitness. "These people have lots of money and equipment and they have been filming high-quality, on-demand fitness classes for a long time. And they charge way less than I can afford to charge. I don't have a marketing budget or plan that would allow me to scale the way I would like to." The explosion of home gyms and the desire for professional, on-demand workouts has sparked a gargantuan increase in health and fitness app downloads. Americans are increasingly streaming exercise classes from their phones and smart TVs and tracking an array of personalized health metrics brought to life through ecosystems of gadgets and dashboards.

Business leaders and industry observers also underscore that the threat of the coronavirus itself, not just the major business disruptions, has raised awareness about overall health and well-being. According to the national Centers for Disease Control and Prevention, adults of any age with certain conditions are at increased risk of severe illness from the coronavirus, including afflictions that can be influenced by physical activity and nutrition, such as heart disease, Type 2 diabetes and obesity. From January through November of 2020, approximately 2.5 billion health and fitness apps were downloaded worldwide, according to data from Sensor Tower — a 47 percent jump from the same period in 2019. A compilation of the most-downloaded fitness apps on Google Play and Apple's App Store reveals an astonishing rise in interest, coinciding with the public health crisis.

Users downloaded Home Workout — No Equipment, the top fitness app of the year, 43.5 million times, more than doubling its installs from the previous year, Sensor Tower data showed. Strava, the GPS running and cycling app, was downloaded more than 20 million times, a 120 percent spike from 2019.

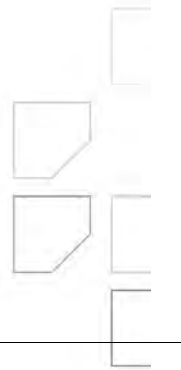
While home-fitness companies can generate the bulk of their revenue through hardware sales, monthly app subscriptions and digital-only memberships can make up a significant portion of their business. Peloton, for example, recorded 382 percent growth for digital subscriptions — which do not require machines. Similar to the economics of gaming consoles, mobile devices and wearables, companies can extract consistent fees from customers by offering networks of services and software, even if people only buy the central piece of hardware once every several years. In December, Apple released its own workout subscription service, [Fitness+](#), built around the Apple Watch. The latest premium app from the \$2 trillion tech giant highlights the company's strategy to pull users more tightly into its [ecosystem of services](#), which includes music, TV and cloud storage. And it underscores the developing business opportunities in health and fitness that technologies can exploit during and even after the coronavirus crisis. Other major retailers are leaning into technology to glean insights from consumer data, build customer loyalty and keep users within their universe of merchandise. Nike claims two fitness apps among the 20 most-downloaded apps in 2020. Users downloaded Nike Run Club more than 15 million times, showing a 45 percent boost from 2019, the Sensor Tower data showed; Nike Training Club registered nearly 14 million installs, up 123 percent from the previous year. Investors have flocked to the sportswear company over the past year. Shares have more than doubled since the lows of March. And in its most recent earnings report, Nike disclosed that digital sales ramped up by 84 percent compared with a year earlier, including triple-digit growth in North America.

“Humans are social animals”

The year ahead will test which consumer behaviors are fleeting and which are here to stay, experts say. “The longer this goes on, the tougher it will be to return,” said Landon Luxembourg, a senior analyst at investment research firm Third Bridge Group. Luxembourg described a central tension within the fitness industry, in which customers who have invested in their own equipment and grown accustomed to working out at home might be reluctant to rejoin their gyms and restart their memberships, even after coronavirus vaccines are in wide use. But the allure of returning to old habits, of reclaiming normalcy and reconnecting with the social aspects of working out has its strong appeal too, Luxembourg said. “There is a group of people that want get out of the house and see people,” said Yanushevsky, of CFRA. “That’s what’s going to keep gyms around. People don’t want to work from home and go to the room next door and lift some weight and be on a Peloton,” she said. As with virtual school and work, there’s live-stream fatigue, too. “Humans are social animals,” Hirsch said. “The ability to see people in person, we live for that — to give people motivation to work hard and to sweat.” She added: “I am not worried about group fitness dying. We will return when covid is over. It’s just been a lot longer ride than people were hoping it would be.” Aside from the lucky few who have the wealth and the space to assemble a Schwarzenegger-class home gym, most people will rely on retail gyms for the heavy-duty gear and the social interaction they can’t get on their own, said Joanna Zeng O’Brien, a Moody’s analyst who covers the fitness industry. “There is the convenience of working out from home, but people also want to go to physical locations. People miss that,” she said. “For companies that want to stay around and not become obsolete, they have to do both.”

Memo

To: Rebecca Fricke
From: Steve Webster
Date: May 26, 2021
Re: 2021-2023 Performance Guarantee modification review



Sanford Health Plan (SHP) is requesting consideration by NDPERS and the Board of the following modifications to the 2021-2023 Performance Guarantees SHP agreed upon in the RFP bid.

	Performance Guarantee	Requirement	Value of Forfeiture
7	Customer Satisfaction Surveys	Member satisfaction surveys will be designed by the vendor and approved by NDPERS. Vendor will invite a random sample of members to participate in the survey to collect a statistically significant number of completed surveys. <u>Using a 1-5 scale of Completely Satisfied, Very Satisfied, Satisfied, Dissatisfied, Very Dissatisfied, the following member satisfaction rates will be met as follows:</u> <ul style="list-style-type: none"> <u>Promised follow-up and EOB understanding will meet 87% or higher.</u> <u>Representative answers were clear and complete will meet 88% or higher.</u> <u>The remaining survey results will meet 90% or higher.</u> Final survey questions and methodology will be agreed upon by vendor and NDPERS.	Annually \$25,000
14	Health Risk Assessment	By June 30, 2022 2023, at least 17% of eligible NDPERS members will have completed a Health Risk Assessment.	Annually 16.99%-15% = \$2,500 14.99%-12.01% = \$5,000 12% or less= \$10,000
28	Claim Timeliness	Clean claims processing within 14 calendar days will be 95 99% or greater, each year of the biennium. Measured from the date the claim is received to the date claim is processed.	Annually \$12,500 for each year of the biennium
33	Access Rate to Primary Care Physicians	For urban and suburban areas, ninety-eight percent (98%) of Members will have at least two (2) providers within ten (10) fifty (50) miles of their home ZIP Code.) For rural areas, ninety-eight percent (98%) of Members will have at least one (1) provider within fifty (50) fifteen (15) miles of their home ZIP Code	Annually \$5,000 for each full % below
34	Access Rate to Pediatricians	For urban and suburban areas, ninety-eight percent (98%) of Members will have at least two (2) providers within fifty (50) ten (10)-miles of their home ZIP Code.) For rural areas, ninety-eight percent (98%) of Members will have at least one (1) provider within fifty (50) fifteen (15) miles of their home ZIP Code.	Annually \$5,000 for each full % below
35	Access Rate to Specialists and OB/GYNs	For urban and suburban areas, ninety-eight percent (98%) of Members will have at least two (2) providers within fifty (50) ten (10)-miles of their home ZIP Code.) For rural areas, ninety-eight percent (98%) of Members will have at least one (1) provider within fifty (50) fifteen (15) miles of their home ZIP Code.	Annually \$5,000 for each full % below



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Memorandum

TO: NDPERS Board

FROM: Shawna Piatz

DATE: March 14, 2023

SUBJECT: Audit Committee Minutes

Attached are the approved minutes for the November 7, 2022 meeting. The minutes may also be viewed on the NDPERS web site at www.nd.gov/ndpers.

The next regular audit committee meeting is scheduled virtually and in person for May 8, 2023 at 3:00 pm and a special meeting is scheduled for March 15, 2023 at 10 am. This is for your information.

Attachments

III. Internal Audit Reports

- A. Quarterly Audit Plan Status Report – A summary of the Internal Audit staff time spent for the past quarter along with a status update on each area of the 2022 – 2023 Audit Plan was included with the Audit Committee materials. Of the total hours reported, 56.13% was spent in audit, 3.87% in consulting, and 40.00% in administrative hours. The audit hours were spent on the monthly retirement program audit, the Sanford Interest Calculation Report Audit, the Sanford Claims Audit prep, and the Service Purchases Audit. The consulting hours were attributable to New W-4 reporting programming, the microfiche conversion project, manager evaluation surveys, HR/staffing support, PIR testing and various reviews and reconciliations for the Benefits and Accounting divisions.
- B. Retirement Benefit Payment Status Report – Information was provided to the Audit Committee, which summarizes the accuracy percentages of the new monthly retirement benefit and refund payments. The report shows the number of new retirees or refunds each month, the total number of new retirees or refunds audited and whether issues identified were procedure, system or compliance issues. In fiscal year 2023, to date a total of 314 new retirees out of 497 were audited, which equates to \$1,173,387 of \$1,888,320 being audited. An accuracy rate of 98.09% was achieved fiscal YTD as of October 2022 for new retirement benefit payments, which is above the 97% goal.
- In fiscal year 2023, to date a total of 49 of the 897 refunds issued were audited, which equates to \$2,234,942 of \$8,595,074. An accuracy rate of 85.71% was achieved fiscal YTD as of October 2022 for retirement refunds. This falls below the 97% accuracy rate goal. A limited number of retirement refunds were audited and a portion of the sample continues to be focused on those refunds in which a known system issue is likely to have occurred.
- C. Benefit/Premium Adjustments Report – The quarterly benefit adjustment report was provided to the Audit Committee. The report is in several sections, each representing the type of corrections. The dollar amount and the number of errors have remained consistent each quarter. There were 14 adjustments that were new this quarter and 13 previously reported adjustments remain outstanding. The new adjustments were due to the untimely notification or changes in membership status or information, system programming errors and processing errors.
- D. Outstanding Issues Status Report – The Outstanding Issues Status report has been updated to reflect new and outstanding issues as of October 31, 2022. There was one existing recommendation where progress was made, four existing recommendations with no change, one existing recommendation that was closed, and one new recommendation added to this report. Staff continue to be proactive about addressing recommendations as they are made. Any recommendations made in the previous quarter that have already been addressed would not be included in this report.

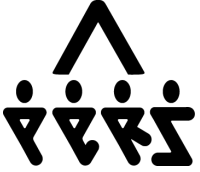
IV. Administrative

- A. Audit Committee Charter Matrix – In order to confirm all responsibilities outlined in the Audit Committee charter are carried out annually, a matrix was developed to review each objective quarterly and ensure that the Audit Committee is meeting its responsibilities. The matrix was reviewed and discussed for progress made over the past quarter including ensuring that any fraud detected would be reported to the audit committee timely and over possible revisions to the Audit Committee Charter in the future.
- B. Internal Audit Charter Matrix – A copy of the Internal Audit Charter matrix with progress made over the previous quarter was provided to the Audit Committee for their review and information. Discussion took place around turnover in the Internal Audit department and progress made on the annual Risk Assessment reviews.
- C. Audit Committee Meeting Dates & Times – The Audit Committee reviewed the proposed 2023 Audit Committee meeting dates. The proposed dates for meetings in 2023 are February 13, May 8, August 14 and November 13, contingent on the Board's approval of the respective Board meetings. Senator Dever moved approval of the proposed Audit Committee meeting dates and times contingent on the Board approving the adjacent Board meeting dates at the December Board meeting. The motion was seconded by Mr. Wilke. This was followed and approved by voice vote.

V. Miscellaneous

- A. Travel Expenditures – The out-of-state travel expenditures incurred by the Executive Director for the period August 1, 2022 through October 31, 2022 were reviewed. There were no out-of-state travel expenditures incurred by the Board for this period. This was provided for the Audit Committee's information.
- B. CPEs, Training and Webinars – A report on the training and education, including continuing professional education (CPE) webinars and seminars Internal Audit participated in for the period August 1, 2022 through October 31, 2022 was provided to the committee for their review.

The meeting adjourned at 4:20 p.m, by Ms. Rindy.



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Memorandum

TO: NDPERS Board

FROM: Shawna Piatz

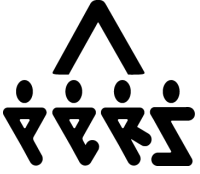
DATE: March 14, 2023

SUBJECT: Audit Committee Minutes

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Attachments



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Memorandum

TO: NDPERS Board

FROM: Scott Miller

DATE: March 14, 2023

SUBJECT: Contracts under \$10,000

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

This topic is informational only.

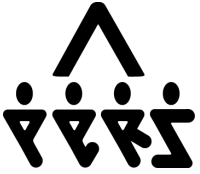
Attachment

Contracts Signed During 2023:

Vendor	Amount	Notes
NDIT	\$ -	Service Level Agreement

New Contracts:

Vendor	Amount	Notes
Spherion Staffing	~ \$7,200	Temporary Staffing for Admin Services



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Memorandum

TO: NDPERS Board

FROM: Scott

DATE: March 14, 2023

SUBJECT: Executive Director Annual Evaluation Committee

The process for my evaluation has been for the Board Chairperson to appoint a three-person evaluation subcommittee to collect information from the other Board members, Shawna Piatz, myself, and the survey of our staff; meet to consider that information; and, create a recommendation for the full Board.

Board Action: Appoint the three-person evaluation subcommittee.



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Memorandum

TO: NDPERS Board

FROM: Scott

DATE: March 14, 2023

SUBJECT: Legislative Relations

Attached is our internal tracking list for legislation. We'll go over some of that and discuss other Legislative topics.

Attachment

INDEX OF BILLS:

Updates also provided on NDPERS website at: [Legislation Update | NDPERS](#)

Bill #	Description	Details	Board Position	Status
HB 1040	DB Closure with 1/1/25 effective date	Closes DB plan to new hires after 12/31/24, requires new hires enrollment in DC plan, requires state employers to pay the actuarially determined contribution rate, political sub employers to pay additional 1% ER contribution, one-time cash infusion, DB employees with less than 5 years of service incented to transfer to DC	Oppose	Passed House
HB 1183	Changes definition of Peace Officer, retirement eligibility	Expands definition of eligible employee for the State Public Safety plan	Neutral	Passed House
HB 1309	BCI benefit change, vesting change	Changes vesting schedule for new hires after 7/31/23, modifies multiplier to two-tiers for all BCI members	Neutral	Passed House
HB 1321	NDPERS Board Make-up/Contracting for health insurance (Kasper)	Changes make-up of NDPERS Board and requires legislature to approve renewal or award of health insurance carrier	Oppose	Passed House
HB 1379	Legacy interest fund/earnings fund	Modifies stream of payments to NDPERS DB plan	Support	Passed House
SB 2023	NDPERS Budget	NDPERS budget	Support	Passed Senate
SB 2164	NDPERS Board Make-up (Legislator from each chamber)	Modifies make-up of NDPERS Board to clarify that a legislator from each chamber to be named	No position	Passed Senate
SB 2171	Governor's 3 rd Health Plan Option	Requires NDPERS to offer a 3 rd health plan option to state employees that includes ACA mandated coverage, at state employee expense	Neutral	Passed Senate
SB 2239	ADEC Cont, DB Remain Open, DC option	Keeps DB plan open, provides option for new state hires enrollment in DC plan, requires employers (split between state & political subs) to pay the actuarially determined contribution rate, one-time cash infusion, 1% EE contribution	Support	Passed Senate

HB 1501	Soybean Council Privatization	Privatizes the Soybean Council – amended to not privatize and to update audit requirements.	Oppose (unless amended to pay the ER unfunded liability)	Passed House
SB 2023	NDPERS Budget	NDPERS budget	Support	Passed Senate
SB 2135	Dental Benefit Assignment	Allows the re-assignment of payment to someone other than member for dental carrier reimbursement	Neutral	Passed Senate
SB 2140	Insulin Cap	Imposes a cap on diabetes drugs and supplies	Neutral	Passed Senate
SB 2158	CHAND Study	Requires the study of dissolution of the Comprehensive Health Association of North Dakota (CHAND) during interim, NDPERS included in study of where participants could be transitioned to for health coverage	Neutral	Passed Senate
SB 2164	NDPERS Board Make-up (Legislator from each chamber)	Modifies make-up of NDPERS Board to clarify that a legislator from each chamber to be named	No position	Passed Senate
SB 2171	Governor's 3 rd Health Plan Option	Requires NDPERS to offer a 3 rd health plan option to state employees that includes ACA mandated coverage, at state employee expense	Neutral	Passed Senate
SB 2239	ADEC Cont, DB Remain Open, DC option	Keeps DB plan open, provides option for new state hires enrollment in DC plan, requires employers (split between state & political subs) to pay the actuarially determined contribution rate, one-time cash infusion, 1% EE contribution	Support	Passed Senate
SB 2378	Clinician-administered drugs	Provides requirements related to clinician-administered drugs for health insurance carriers and pharmacy benefit managers	Monitor	Passed Senate
SB 2389	Prior Authorization	Changed to a study/Provides requirements related to prior authorization for health insurance carriers	Neutral if asked	Passed Senate

VI. MEMBER **EXECUTIVE SESSION

A. Retirement Benefit Appeal Case #801

**Confidential material for the Closed Session
will be sent under separate cover.**