

# MINUTES

## North Dakota Public Employees Retirement System Tuesday, August 16, 2022 8:30 A.M.

Members Present: Chairperson Mona Rindy  
Senator Dick Dever  
Ms. Kim Wassim  
Mr. Adam Miller

Members Via Teams: Representative Pamela Anderson  
Ms. Yvonne Smith  
Mr. Dirk Wilke  
Ms. Claire Ness  
Ms. Casey Goodhouse

Others: Mr. Scott Miller, NDPERS  
Mr. Derrick Hohbein, NDPERS  
Ms. Rebecca Fricke, NDPERS  
Ms. MaryJo Anderson, NDPERS  
Mr. Dean DePountis, Office of Attorney General  
Mr. John Snyder, SHP  
Mr. Brian Maude, SHP  
Ms. Emily Griese, SHP  
Mr. Drew Rasmussen, Deloitte Consulting  
Mr. Timothy Egan, Deloitte Consulting  
Mr. Dan Plante, Deloitte Consulting

Chairperson Mona Rindy called the meeting to order at 8:30 A.M. Roll call was taken, and a quorum was present.

Chairperson Rindy called for questions or comments regarding the minutes of July 12, 2022.

**SENATOR DEVER MOVED TO APPROVE THE MINUTES OF THE JULY 12, 2022, BOARD MEETING. THE MOTION WAS SECONDED BY MR. ADAM MILLER AND CARRIED BY VOICE VOTE. THE MINUTES WERE APPROVED.**

### PRESENTATIONS

#### Fiduciary Responsibility Presentation

Dean DePountis provided the Board with the annual education on fiduciary responsibility. The presentation included basic terminology, an overview of fiduciary duty and duty of loyalty and prudence, settlor and fiduciary functions, dealing with conflicts of interest, and fiduciary liability and risk. Mr. DePountis spoke about mitigating fiduciary risk, the value of board self-evaluations and continuing education, an emphasis on always acting in good faith in the best interest of plan participants and beneficiaries, and stressed the importance of following Plan Documents

**Ms. Smith joined the meeting at 9:00 A.M.**

Sanford Health Plan Quarter 1 Executive Summary

Mr. Steve Webster reviewed the annual membership and membership trend. The Per Member Per Month (PMPM) summary came in below the expected for both Active and Retiree groups.

Steve continued with a review of claims analysis and membership and utilization. Out-of-state claims remain consistent with approximately 70 to 80 percent of the 24% of total out-of-state claims going to Mayo.

Mr. Danny Weiss reported that historically, cancer has been the largest claims group and that there is little cost management with a cancer diagnosis.

Mr. Weiss discussed the increasing cost of prescription drugs and provided a comparison of generic utilization to brand and specialty drug categories.

Mr. Webster reviewed Fitness Center reimbursement activity and Lifestyle Medicine Program participation. The programs are effective and have good outcomes. Wellness programs are well-attended.

SHP has concerns with Performance Standards and Guarantees in the areas of cancer screenings and diabetes prevention.

**GROUP INSURANCE**

Medicare Part D Renewal and Request For Proposal (RFP)

Ms. Rebecca Fricke reported that Humana has submitted its final renewal premium. The current premium is \$66.72 per member per month (PMPM). The premium for the same plan design for 2023 is \$69.72 which is a 4.5% increase. Deloitte indicated the 4.5% increase appears reasonable given expected trends and the 2023 Centers for Medicare and Medicaid Services (CMS) direct subsidy amounts that were released at the end of July.

Staff prepared an RFP in the event the Board chooses to not renew with Humana for the Medicare Part D plan for the 2023 plan year.

**MS. SMITH MOVED TO AMEND THE CURRENT CONTRACT TO CONTINUE WITH HUMANA AS THE MEDICARE PART D VENDOR FOR THE JANUARY 1, 2023, THROUGH DECEMBER 31, 2023, CONTRACT PERIOD AND APPROVE THE UPDATED PERFORMANCE GUARANTEES. THE MOTION WAS SECONDED BY SENATOR DEVER.**

**Ayes:** Mr. Wilke, Representative Anderson, Ms. Ness, Ms. Smith, Senator Dever, Ms. Goodhouse, Mr. Adam Miller, Ms. Wassim, and Chairperson Rindy

**Nays:** None

**Absent:** None

**MOTION PASSED**

Sanford Health Plan Member Survey Result

Officials from Sanford Health Plan (SHP) reviewed the results of the 2022 member experience survey that was sent to a random sample of 7,500 NDPERS members. The methodology was the same as in previous surveys in 2016, 2018, and 2020. The report shows that member satisfaction is high and continues to improve. SHP provided an overview of member experience results and member service center experience. The full report was provided in the board materials.

**THE BOARD TOOK A SHORT BREAK FROM 9:38 A.M. TO 9:48 A.M.**

Health Insurance Renewal; Sanford Health Plan Renewal Presentation

Mr. Scott Miller summarized the statutory requirements regarding the health insurance plan renewal process. Following SHP's renewal presentation, the Board will review a renewal estimate prepared by Deloitte. The report will be discussed in Closed Session.

Mr. John Snyder, SHP President, opened the presentation with an overview of their value proposition. Ms. Emily Griese, Vice President of Operations and Population Health, discussed an integrated approach to health management and cost containment. SHP has a 3-pillar approach to cost containment – medical management, provider partnerships and contracting, and pharmacy benefits management.

Mr. Snyder stated that Milliman assisted SHP with the renewal work based on claims experience. SHP presented renewal rates by program – 20.6% for NDPERS Commercial and 4.0% for Medicare Supplement. Mr. Snyder provided detail regarding medical and pharmacy trends affecting premium rates and the administrative cost percentage of the premium. Mr. Brian Maude, Vice President of Finance, talked about three years of claims experience with no rate increase in the past.

This portion of the agenda was noticed for Executive Session to discuss negotiating strategy.

**MS. WASSIM MOVED TO ENTER INTO EXECUTIVE SESSION PURSUANT TO N.D.C.C. § 44-04-19.1(9) AND § 44-04-19.2 TO DISCUSS NEGOTIATING STRATEGY OR PROVIDE NEGOTIATING INSTRUCTIONS TO ITS ATTORNEY OR OTHER NEGOTIATOR. THE MOTION WAS SECONDED BY SENATOR DEVER.**

**Ayes:** Mr. Wilke, Senator Dever, Ms. Wassim, Ms. Goodhouse, Mr. Adam Miller, Ms. Smith, Representative Anderson, Ms. Ness, and Chairperson Rindy

**Nays:** None

**Absent:** None

**MOTION PASSED**

All members named above, Deloitte Consulting personnel, attorney Dean DePountis, and NDPERS staff members Scott Miller, Rebecca Fricke, Derrick Hohbein, Lindsay

Schaf, Katheryne Korom, Shawna Piatz, and Jan Lund were in attendance for the Executive Session (closed meeting, electronically recorded) which began at 10:29 A.M. The meeting returned to Open Session at 11:22 A.M.

**THE BOARD PROVIDED DIRECTION TO STAFF ON HOW TO PROCEED.**

**THE BOARD TOOK A SHORT BREAK FROM 11:22 A.M. TO 11:25 A.M.**

2021 Active Health Care Report

Mr. Hohbein presented the report for 2021. The report outlines hospital utilization, physician/clinical utilization, and pharmacy utilization. The combined utilization resulted in an overall per capita cost decrease of 8.6%.

**DEFERRED COMPENSATION/DEFINED CONTRIBUTION**

Waddell & Reed Reporting

Mr. Scott Miller gave an accounting of communication efforts and problems staff has encountered working with officials of Waddell & Reed/Fiduciary Trust Company of New Hampshire. The Board discussed options to continue working with this company or terminate their agreement as a deferred compensation provider.

**MS. WASSIM MOVED TO TABLE THIS TOPIC UNTIL THE SEPTEMBER MEETING. THE MOTION WAS SECONDED BY SENATOR DEVER.**

**Ayes:** Mr. Wilke, Representative Anderson, Ms. Ness, Ms. Smith, Senator Dever, Ms. Goodhouse, Ms. Wassim, and Chairperson Rindy

**Nays:** Mr. Adam Miller

**Absent:** None

**MOTION PASSED**

TIAA Contract Amendment

Mr. Derrick Hohbein reviewed the Board discussion from the June meeting regarding the extension of the TIAA Record Keepers Contract for the NDPERS Deferred Compensation Plan. The contract was reviewed by legal counsel.

**MS. NESS MOVED TO APPROVE THE CONTRACT AMENDMENT FOR AN ADDITIONAL TWELVE MONTHS AND AUTHORIZE SIGNATURE BY THE EXECUTIVE DIRECTOR. THE MOTION WAS SECONDED BY MS. WASSIM.**

**Ayes:** Mr. Wilke, Representative Anderson, Ms. Ness, Senator Dever, Ms. Goodhouse, Mr. Adam Miller, Ms. Wassim, and Chairperson Rindy

**Nays:** None

**Absent:** Ms. Smith

**MOTION PASSED**

Callan Contract Amendment

Mr. Hohbein recapped the discussion from the June meeting regarding the renewal of the investment consultant contract with Callan. The contract was reviewed by legal counsel.

**MS. WASSIM MOVED TO APPROVE THE CONTRACT AMENDMENT FOR CALLAN AND AUTHORIZE SIGNATURE BY THE EXECUTIVE DIRECTOR. THE MOTION WAS SECONDED BY MS. WASSIM.**

**Ayes:** Mr. Wilke, Representative Anderson, Ms. Ness, Senator Dever, Ms. Goodhouse, Mr. Adam Miller, Ms. Wassim, and Chairperson Rindy

**Nays:** None

**Absent:** Ms. Smith

**MOTION PASSED**

### **MISCELLANEOUS**

#### Legislative Relations/Update

Mr. Scott Miller shared information about the July 21st Legislative Retirement Committee meeting. He discussed a recent employee satisfaction of benefits survey conducted by HRMS. The survey was a cooperative effort of NDPERS and HRMS. The survey results indicated concern of state employees about retirement benefits.

#### Code of Ethical Responsibility

Mr. Scott Miller requested each Trustee to sign the Code of Ethical Responsibility and submit it to Jan Lund.

#### Assurance NM Testing

Mr. Hohbein conducted a test of the emergency communication network. Trustees were asked to report if they did not receive the message by phone, text, or email.

Chairperson Rindy called for any other business or comments. With no further business, the meeting was adjourned at 12:17 P.M.

Prepared by,

Jan Lund  
Assistant to the Board