

MINUTES

North Dakota Public Employees Retirement System VIA TELECONFERENCE Tuesday, February 9, 2021 8:30 A.M.

Members Via Phone: Chairperson Mona Rindy
Mr. Adam Miller
Ms. Kim Wassim
Mr. Troy Seibel
Ms. Yvonne Smith
Mr. Dirk Wilke

Members Absent: Representative Jason Dockter
Senator Tim Mathern
Ms. Casey Goodhouse

Others Via Phone: Mr. Scott Miller, NDPERS
Mr. Derrick Hohbein, NDPERS
Ms. Rebecca Fricke, NDPERS
Ms. MaryJo Anderson, NDPERS
Mr. Bryan Reinhardt, NDPERS
Mr. Steve Webster, SHP
Mr. Danny Weiss, SHP
Mr. Roy Machamire, SHP

Chairperson Mona Rindy called the meeting to order at 8:30 A.M. The meeting was held by teleconference; roll call was taken, and a quorum was present.

Chairperson Rindy called for any questions or comments regarding the minutes of the January 12, 2021 Board Meeting.

MS. SMITH MOVED TO APPROVE THE MINUTES OF THE JANUARY 12, 2021 BOARD MEETING. THE MOTION WAS SECONDED BY MS. WASSIM AND CARRIED BY VOICE VOTE. THE MINUTES WERE APPROVED.

PRESENTATIONS

Sanford Health Plan 2020 Quarter 3 Executive Summary

Mr. Steve Webster shared news of the retirement in January of Mr. Jim Wynstra and introduced Mr. Roy Machamire as his replacement. The Board sends best wishes to Jim and expressed gratitude for his service and an appreciation for Jim's ability to present actuarial information in an understandable manner.

Mr. Webster summarized annual membership comparing data from 2019 to 2020. In looking at membership trends, he noted that 16 groups left the plan in the first quarter of this year and those groups comprised 706 contracts. Most groups are political subdivisions and 5 are smaller schools. This is a lesser impact to the plan than those that left in January 2020.

Mr. Webster reviewed claims analysis information and provided comparisons for the Actives, Early Retirees and Medicare Retiree groups. He noted an overall decrease in claims due to the impact of COVID during the second quarter last year and an increase of 20 percent in the third

quarter. With safer times, SHP is expecting to see an additional increase in claims during Quarter 4 of 2020. There has been no change year-over-year for out of state claims and the number of claims and dollar amounts remain mostly the same from year to year for high dollar claimants (over \$100,000 per member).

Mr. Danny Weiss reviewed high dollar pharmaceutical cases and highest paid diagnosis groups. At 35.6% of claims, oncology continues to trend as the largest claims group. He discussed generic utilization claims and noted that members are reaching the top of their deductible faster because of using a brand name drug instead of generic fill.

Mr. Webster presented information about member participation in fitness center reimbursement, health assessments, online wellness activities, and lifestyle medicine programs. COVID-19 caused a decline in participation in wellness programs. In response to the decline, SHP offered incentives and launched three promotions to encourage participation. He also reviewed the monthly wellness themes of Financial Health, Discover Your Emotion Eating Patterns, and Get Up and Move to Reduce Your Disease Risk.

Mr. Webster reviewed the Member Management Report and Performance Standards and Guarantees. COVID-19 has caused some goals to fall short and Sanford has exhausted all avenues to reach these goals.

RETIREMENT

Disability Consultant Agreement

Ms. MaryJo Anderson provided information regarding fees paid to Mid Dakota Clinic in the fiscal year July 2019 through June 2020 for disability consulting services. Mid Dakota Clinic would like to continue to perform these services at the rate of \$200 per hour. Staff is satisfied with the services and recommends renewal of the disability consulting contract that will expire on June 30th.

MS. SMITH MOVED TO APPROVE THE STAFF'S RECOMMENDATION TO RENEW THE DISABILITY CONSULTING CONTRACT WITH MID DAKOTA CLINIC. THE MOTION WAS SECONDED BY MR. WILKE.

Ayes: Mr. Wilke, Ms. Wassim, Mr. Adam Miller, Mr. Seibel, Ms. Smith, and Chairperson Rindy

Nays: None

Absent: Senator Mathern, Ms. Goodhouse, and Representative Dockter

MOTION PASSED

GROUP INSURANCE

Employee Assistance Program (EAP) Request for Proposal (RFP)

Mr. Bryan Reinhardt discussed the methodology for providing EAP services including how providers can file a renewal instead of a new proposal if the price and all services still apply. Currently, there are four active EAP contracts. Discussion followed.

MS. WASSIM MOVED TO APPROVE THE REQUEST FOR PROPOSAL. THE MOTION WAS SECONDED BY MR. ADAM MILLER.

Ayes: Mr. Wilke, Ms. Wassim, Mr. Adam Miller, Mr. Seibel, Ms. Smith, and Chairperson Rindy

Nays: None

Absent: Ms. Goodhouse, Senator Mathern and Representative Dockter

MOTION PASSED

2020 Sanford Health Plan Claims Review

In December, Mr. Bryan Reinhardt and Ms. Shawna Piatz conducted the annual audit of the Sanford Health Plan to check the accuracy of the NDPERS health plan claims processing. Mr. Reinhardt reported no errors were found in the review of a select sample of 100 claims, which is the first time in the 30 years. NDPERS is the only plan who does an audit.

Mr. Reinhardt shared several observations from the audit.

- There are some changes in place due to the COVID-19 pandemic. COVID testing is not going to the wellness \$200 annual benefit. Telehealth visits are being processed with no cost share (no office visit copayment). Sanford is tracking the costs and may be able to report on them later. It is unknown if they will be applying for Federal COVID funds.
- The changes made last year to allow A1C tests to apply to the \$200 wellness screening benefit and to remove the PSA coinsurance were implemented July 1, 2020 and are processing correctly.
- There seems to be a provider issue with flu vaccinations being denied for not using the proper 11-digit code. Sanford is looking into this issue.
- All claims with coordination of benefits (COB) including WSI processed correctly. Sanford is no longer using the "Greater of" rule to process COB claims. This is something we've pointed out in the past and should result in a savings to the plan.
- After January 1, 2021, if authorization is required for a procedure and the provider does not receive prior authorization, the provider will be responsible for that service and will not be allowed to hold the patient responsible (cannot balance bill).
- Physical therapy and chiropractic have a \$25 copayment versus a \$30 copayment for office visits. NDPERS does not have a limit on chiropractic visits where most plans have a 20-visit limit. It is rare to have an unlimited plan like ours with varying copayments. Any reduction to these benefits would affect the plan's grandfathered status.
- All the screening & immunization audit claims were properly adjudicated.
- When members move between the HDHP and PPO plans, lifetime maximums will transfer between plans except for the prosthetic lifetime maximum. Sanford notes that

they do this because as a member ages, a prosthetic may become worn out or not fit well anymore. The NDPERS SPD says, "*Prosthetic limbs, sockets and supplies, and prosthetic eyes limited to one (1) per lifetime unless medically necessary due to growth for Members under 19*". Sanford is reviewing this language as stopping at "medically necessary" removing the age limit might be appropriate.

- We reviewed the language for the infertility lifetime maximum and questioned if it would reset if the contract ID changes for the same member. For example, if an employee retired and the employee's spouse became an employee and the health plan contract was now under the new employee.

Discussion followed.

Vision Insurance Plan Renewal

Ms. Rebecca Fricke informed the Board that the contract with Superior Vision will expire at the end of the year. She shared information about member participation, premium rates and renewal history. Superior Vision increased the frame allowance last year from \$75 to \$100 at no additional premium cost. Ms. Fricke is working with the North Dakota Board of Optometry and Superior Vision to find a solution for newly licensed providers who are having difficulty getting on board with the Superior Vision network. Discussion followed.

MS. SMITH MOVED TO APPROVE THE STAFF'S RECOMMENDATION TO AMEND THE CURRENT CONTRACT TO CONTINUE WITH SUPERIOR VISION FOR THE JANUARY 1, 2022 THROUGH DECEMBER 31, 2023 CONTRACT PERIOD WITH NO INCREASE IN PREMIUM. THE MOTION WAS SECONDED BY MS. WASSIM.

Ayes: Mr. Wilke, Ms. Wassim, Mr. Adam Miller, Mr. Seibel, Ms. Smith, and Chairperson Rindy

Nays: None

Absent: Ms. Goodhouse, Senator Mathern and Representative Dockter

MOTION PASSED

Insurance Updates

Ms. Fricke provided updates on flu vaccination clinics and annual enrollment. A total of 986 individuals received their flu vaccination through the six flu vaccination clinics offered last fall. The number of participants was down slightly from 2019. The annual enrollment update included enrollment data for the FlexComp Plan, Dental and Vision Plans, High Deductible Health Plan and the 457(b) Deferred Compensation Plan. Discussion followed.

MISCELLANEOUS

Member's Experience Annual Report

Ms. Aime Miller shared a summary of the feedback received from members during 2020. The number of responses in 2020 declined slightly from the previous year but the ratings improved in all four areas: 1) NDPERS explained the information, 2) Information was easy to understand,

3) Promptness of NDPERS response, and 4) Courtesy from NDPERS staff. The Board thanked all staff for their hard work during 2020 considering the challenges of the pandemic.

Budget Status

Mr. Derrick Hohbein presented a semi-annual update on the status of the current budget. He outlined the expenditures as of December 31, 2020 and the remaining appropriation. Salaries & Wages has 30 percent remaining but will be trending lower now that PERS is fully staffed. Operating has 36 percent remaining because of no travel during the pandemic when conferences and educational opportunities transitioned to virtual. Discussion followed.

Legislation

Mr. Scott Miller said that staff is tracking 39 bills that do, or may, have an impact on NDPERS. He called attention to the bills for which he is looking for guidance from the Board. The Board discussed HB 1147 and it was noted that adding non-governmental individuals to a governmental plan is seen as problematic. Discussion followed.

MS. WASSIM MOVED TO OPPOSE HB 1147 BASED ON ADDING NON-GOVERNMENTAL EMPLOYEES TO A GOVERNMENTAL PLAN. THERE WAS NO SECOND TO THE MOTION; THE MOTION FAILED.

Discussion continued.

MR. WILKE MOVED TO CALL A SPECIAL BOARD MEETING NEAR CROSSOVER TO DISCUSS PENDING LEGISLATION. THE MOTION WAS SECONDED BY MR. SEIBEL.

Ayes: Mr. Wilke, Mr. Adam Miller, Mr. Seibel, Ms. Smith, and Chairperson Rindy

Nays: Ms. Wassim

Absent: Senator Mathern, Ms. Goodhouse, and Representative Dockter

MOTION PASSED

Discussion of legislation continued.

MS. SMITH MOVED TO PROVIDE GUIDANCE TO THE EXECUTIVE DIRECTOR TO TESTIFY IN A MANNER THAT IT IMPACTS OUR MEMBERSHIP AND TO OPPOSE HB 1465. THE MOTION WAS SECONDED BY MS. WASSIM.

Ayes: Mr. Wilke, Mr. Adam Miller, Ms. Smith, Ms. Wassim, and Chairperson Rindy

Nays: Mr. Seibel

Absent: Senator Mathern, Ms. Goodhouse, and Representative Dockter

MOTION PASSED

The Board took a brief break from 11:21 A.M. TO 11:30 A.M. The Meeting resumed at 11:30 A.M., roll call was taken, and a quorum was present.

Office Update

Mr. Miller gave an update on activities related to the office move that is planned for this summer. The lease between NDPERS and WSI has been signed by all parties. Staff working from home will be coming into the office to collect personal items from their office and to pick up new laptops. Staff is recruiting for a temp position to assist with the relocation project. The temp will transition to the front desk position when NDPERS re-opens the office to the public. Staff will continue to provide progress reports.

Executive Director Evaluation Survey

Mr. Miller discussed the benefit of conducting another survey of the staff's view of the performance of the Executive Director. Board members who served on the Performance Review and Compensation Committee found the feedback from staff helpful in their annual assessment of the Executive Director. Discussion followed.

THE BOARD DIRECTED MR. MILLER TO MOVE FORWARD TO CONDUCT A STAFF SURVEY.

MEMBER

Retirement Appeal Cases 660, 662, 666

These agenda items were noticed for Executive Session.

MS. WASSIM MOVED TO ENTER INTO EXECUTIVE SESSION PURSUANT TO N.D.C.C §44-04-19.2 AND §44-04-19.2 (1) AND/OR §54-52-26 TO DISCUSS CONFIDENTIAL RECORDS OR CONFIDENTIAL MEMBER INFORMATION FOR MEMBER APPEAL CASES 660, 662, AND 666. THE MOTION WAS SECONDED BY MS. SMITH.

Ayes: Mr. Wilke, Ms. Wassim, Mr. Adam Miller, Mr. Seibel, Ms. Smith, and Chairperson Rindy

Nays: None

Absent: Representative Dockter, Ms. Goodhouse, and Senator Mathern

MOTION PASSED

All members named above, attorney Dean DePountis, NDPERS staff members Scott Miller, Rebecca Fricke, Derrick Hohbein, MaryJo Anderson and Jan Lund were in attendance for the Executive Session (closed meeting, electronically recorded) which began at 11:43 A.M. Trustees Mathern, Goodhouse, and Dockter were not present.

Mr. Seibel left the meeting at 12:20 P.M.

The Closed Session ended at 1:00 P.M.

MS. WASSIM MOVED TO DENY THE MEMBER'S REQUEST TO APPEAL THE DENIAL OF THE RETIREMENT BENEFIT MEMBER APPEAL CASE #660. THE MOTION WAS SECONDED BY MR. WILKE.

Ayes: Mr. Adam Miller, Ms. Wassim, Mr. Wilke, Ms. Smith, and Chairperson Rindy
Nays: None
Absent: Mr. Seibel, Senator Mathern, Representative Dockter, and Ms. Goodhouse

MOTION PASSED

MS. SMITH MOVED TO APPROVE THE MEMBER'S REQUEST TO APPEAL THE DENIAL OF THE RETIREMENT BENEFIT IN MEMBER APPEAL CASE # 662 BASED ON ADDITIONAL INFORMATION PROVIDED. THE MOTION WAS SECONDED BY MR. WILKE.

Ayes: Mr. Adam Miller, Mr. Wilke, Ms. Smith, and Chairperson Rindy
Nays: Ms. Wassim
Absent: Mr. Seibel, Senator Mathern, Representative Dockter, and Ms. Goodhouse

MOTION PASSED

MS. WASSIM MOVED TO DENY THE MEMBER'S REQUEST TO APPEAL THE DENIAL OF THE RETIREMENT BENEFIT IN MEMBER APPEAL CASE # 666. THE MOTION WAS SECONDED BY MS. SMITH.

Ayes: Mr. Adam Miller, Ms. Wassim, Mr. Wilke, Ms. Smith, and Chairperson Rindy
Nays: None
Absent: Mr. Seibel, Ms. Goodhouse, Senator Mathern and Representative Dockter

MOTION PASSED

Chairperson Rindy called for any other business or comments. Hearing none, the meeting was adjourned at 1:11 P.M.

Prepared by,

Jan Lund
Assistant to the Board