

## MINUTES

**North Dakota Public Employees Retirement System  
VIA TELECONFERENCE  
Tuesday, June 9, 2020  
8:30 A.M.**

Members Via Phone: Chairperson Rindy  
Representative Jason Dockter  
Senator John Grabinger  
Ms. Casey Goodhouse  
Mr. Adam Miller  
Ms. Kim Wassim  
Mr. Dirk Wilke  
Mr. Troy Seibel  
Ms. Yvonne Smith

Others Via Phone: Mr. Scott Miller, NDPERS  
Ms. Rebecca Fricke, NDPERS  
Mr. Bryan Reinhardt, NDPERS  
Mr. Derrick Hohbein, NDPERS  
Ms. MaryJo Anderson, NDPERS  
Ms. Emily Griese, SHP  
Mr. Steve Webster, 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 April 14 and May 12 meetings.

**MS. WASSIM MOVED APPROVAL OF THE APRIL 14, 2020, AND THE MAY 12, 2020, MEETING MINUTES. THE MOTION WAS SECONDED BY MS. SMITH AND CARRIED BY VOICE VOTE. THE MINUTES WERE APPROVED.**

### **PRESENTATIONS**

#### Superior Vision Annual Report

Jami Kuder, Director of Client Management, Superior Vision provided the Vision Plan Utilization report for 2019. The presentation included a financial review and benchmarking breakdown. Subscriber and dependent enrollment have shown a steady increase from 2014 to 2019. Ms. Kuder reviewed member utilization statistics and provider usage.

Superior Vision is proposing to increase the frame allowance from \$75 to \$100 to be more in line with industry average. There would be no rate increase for this benefit enhancement and the increased allowance would be effective January 1, 2021, should the Board choose to approve it.

Ms. Kuder discussed the vision plan network in North Dakota and stated that Superior Vision will continue to grow and recruit providers in the state. Discussion followed.

**MS. WASSIM MOVED TO APPROVE TO THE INCREASE THE FRAME ALLOWANCE FROM \$75 TO \$100 WITH NO RATE IMPACT TO PARTICIPANTS EFFECTIVE JANUARY 1, 2021. THE MOTION WAS SECONDED BY MS. GOODHOUSE.**

**Ayes:** Ms. Goodhouse, Representative Dockter, Ms. Wassim, Senator Grabinger, Mr. Adam Miller, Mr. Seibel, Mr. Wilke, Ms. Smith, and Chairperson Rindy.

**Nays:** None

**Absent:** None

### **MOTION PASSED**

#### Sanford Health Plan (SHP) Update on Population Health

Ms. Emily Griese provided a comprehensive overview of Population Health which is a systematic approach to health and wellness that aims to use health resources effectively and efficiently to improve the health of a population. Ms. Griese discussed health management and the steps SHP is taking to reach disease management goals. SHP is working towards changing wellness to become 20 percent of the spend on 80 percent of the population. She cited an example of a simple change made to the order of drug selection on the list for providers so that generic is listed first instead of alphabetical. Ms. Griese shared information concerning a higher risk associated with co-occurring conditions such as cancer plus mental health, or diabetes coupled with hypertension and obesity. Of the NDPERS population, 15 percent have been identified as having two or more conditions.

Ms. Griese outlined SHP's approach to personalizing access and coverage, as well as care and outcomes for NDPERS health plan participants.

Discussion followed.

### **GROUP INSURANCE**

#### Sanford Health Plan Update on COVID-19 and Impact on the Health Plan

Mr. Steve Webster provided an update regarding the impact of COVID-19 on the NDPERS Health Plan. Claims paid for services incurred from March 10 through May 29 totaled roughly \$320,000, which is significantly low in comparison to normal times. March began the large reduction in elective services. There was a nearly 50 percent decrease in office visits from March to April but a surge in telemedicine utilization. The number of telemedicine visits more than quadrupled from March to April because of COVID-19. Prior to the coronavirus crisis telemedicine was not well used. The new norm seems to be a trend towards telehealth with the predominant care around behavioral health, family care and nurse practitioners, and an increase in occupational and speech pathology.

Ms. Emily Griese presented information regarding a new value-added service in response to the COVID-19 pandemic. SHP learned many lessons through COVID-19 that they want to carry forward focusing on virtual care options. Sanford Health Plan has partnered with Amwell, a nationwide telehealth provider, to expand the patient care focus to 24/7 service, and at no cost to NDPERS members for a physician consult.

FlexComp Plan Contract Amendment Approval

Ms. Fricke recapped discussion from the April board meeting regarding the approval of the contract renewal for the NDPERS FlexComp Plan with ASIFlex. The contract amendment was drafted by legal staff and reviewed and approved by ASIFlex. The amendment was presented to the board for final approval.

**MS. SMITH MOVED TO APPROVE THE FLEXCOMP PLAN CONTRACT AMENDMENT FOR THE JANUARY 1, 2021 THROUGH DECEMBER 31, 2022 CONTRACT PERIOD, AND TO AUTHORIZE THE EXECUTIVE DIRECTOR TO SIGN THE CONTRACT. THE MOTION WAS SECONDED BY SENATOR GRABINGER.**

**Ayes:** Ms. Goodhouse, Representative Dockter, Ms. Wassim, Senator Grabinger, Mr. Adam Miller, Mr. Seibel, Mr. Wilke, Ms. Smith, and Chairperson Rindy.

**Nays:** None

**Absent:** None

**MOTION PASSED**

Dental Plan Contract Amendment Approval

Ms. Fricke summarized discussion from the April board meeting regarding the approval of the contract renewal for the NDPERS group insurance dental plan with Delta Dental. The contract amendment was drafted by legal staff and reviewed and approved by Delta Dental. The amendment was presented to the board for final approval.

**MS. WASSIM MOVED TO APPROVE THE DENTAL PLAN CONTRACT AMENDMENT FOR THE GROUP DENTAL INSURANCE PLAN FOR THE JANUARY 1, 2021 THROUGH DECEMBER 31, 2022 CONTRACT PERIOD. THE MOTION WAS SECONDED BY MS. SMITH.**

**Ayes:** Ms. Goodhouse, Representative Dockter, Ms. Wassim, Senator Grabinger, Mr. Adam Miller, Mr. Seibel, Mr. Wilke, Ms. Smith, and Chairperson Rindy.

**Nays:** None

**Absent:** None

**MOTION PASSED**

Insurance & FlexComp Related Extensions Due to COVID-19

Ms. Fricke shared information regarding an alert from the US Department of Labor and the Internal Revenue Service allowing extensions for insurance and FlexComp plans due to COVID-19. Staff sought the advice of Ice Miller to determine whether the notices applied to the NDPERS insurance and FlexComp Plan. It was determined that the federal government changes are not mandated to NDPERS plans but North Dakota Administrative Rules allows for FlexComp changes. The board discussed options to make it more flexible; no board action taken.

Health Insurance Selection Criteria

Mr. Scott Miller discussed the evaluation process of the Request For Proposal responses for the Health Plan that was released on June 1. He raised a question about language in the phrase “best serves the interests of the state and the state’s eligible employees” within NDCC § 54-52.1-04.2(2) and how to interpret the language when analyzing the proposals. Mr. Miller indicated this will be the first of several discussions as proposals come in. The consultant, Deloitte, will assist with the analysis of the proposals but the Board is to provide input on what is most important. Deloitte will provide feedback and information about areas of concern or improvements, but it is the Board’s responsibility to weight it. Discussion followed; no board action taken.

**THE BOARD TOOK A BRIEF BREAK FROM 10:09 A.M. TO 10:15 A.M.**

**The Meeting resumed at 10:15. Roll call was taken, and a quorum was present.**

**RETIREMENT**

Investment Report Quarter 1

Mr. Bryan Reinhardt shared the quarterly investment report for the 401(a) & 457 Companion Plans; the full reports are available on the NDPERS website.

Investment Consultant Draft Request for Proposal (RFP)

Mr. Reinhardt reviewed discussion from the March meeting regarding the Board’s decision to issue an RFP for investment consultant services for the Defined Contribution 401(a) and Deferred Compensation 457 Companion plans. Mr. Reinhardt provided information about the areas of focus and the timeline for the RFP as reviewed by the Investment Subcommittee and its May meeting. Discussion followed.

**MS. WASSIM MOVED TO APPROVE THE STAFF TO ISSUE THE INVESTMENT CONSULTANT REQUEST FOR PROPOSAL. THE MOTION WAS SECONDED BY MS. SMITH.**

**Ayes:** Ms. Goodhouse, Representative Dockter, Ms. Wassim, Senator Grabinger, Mr. Adam Miller, Mr. Seibel, Mr. Wilke, Ms. Smith, and Chairperson Rindy.

**Nays:** None  
**Absent:** None

## **MOTION PASSED**

### GRS Cost Approval for Interest Rate Reduction Analysis

Ms. MaryJo Anderson summarized information presented at the April board meeting regarding the actuarial experience study and the recommendations of GRS Consulting. Ms. Anderson outlined the fees for services cost proposal from GRS to begin work to update actuarial tables for January 1, 2021.

**MS. WASSIM MOVED TO APPROVE THE COST PROPOSAL FROM GABRIEL ROEDER SMITH (GRS) TO IMPLEMENT THE RECOMMENDATIONS ADOPTED AT THE APRIL BOARD MEETING INTO THE RETIREMENT PLAN SYSTEM. THE MOTION WAS SECONDED BY MR. ADAM MILLER.**

**Ayes:** Ms. Goodhouse, Representative Dockter, Ms. Wassim, Senator Grabinger, Mr. Adam Miller, Mr. Seibel, Mr. Wilke, Ms. Smith, and Chairperson Rindy.

**Nays:** None  
**Absent:** None

## **MOTION PASSED**

## **MISCELLANEOUS**

### Budget

At the May Board Meeting, staff discussed the Governor's budget guidelines for the 2021-2023 biennium and their efforts in evaluating options to reprioritize 5 percent of the current budget to strategically reinvest in high-impact areas. The Board discussed the concepts presented and directed staff on how to proceed in developing a specific budget proposal for approval at the next board meeting.

After a thorough analysis of the agency and the services provided, staff established four options for the Board to consider. Mr. Derrick Hohbein discussed the options, and pros and cons of each:

Option #1 - Have the 5% reallocation applied to the current biennium.

Option #2 - Reallocate the contingency line item, two-thirds of our temporary staffing, discontinue the mobile app, eliminate rent dedicated to internal audit and reallocate these expenses to technology.

Option #3 – Reallocate the Internal Auditor III and the Public Information Specialist III positions, discontinue the mobile app, eliminate a portion of the rent and reallocate these expenses to an FTE.

Option #4 – Cut programs by discontinuing Medicare Part D, eliminate deferred compensation plan providers outside of the companion plan, discontinue the mobile app, eliminate a portion of the rent and reallocate these expenses to an FTE.

The Board thoroughly discussed each of the proposed budget options.

**SENATOR GRABINGER MOVED TO ACCEPT BUDGET OPTION NUMBER THREE AS PRESENTED BY STAFF WHICH WOULD REALLOCATE THE AUDITOR III AND THE PUBLIC INFORMATION SPECIALIST III POSITIONS, DISCONTINUE THE MOBILE APPLICATION, ELIMINATE RENT AND REALLOCATE THESE EXPENSES TO THE FTE AS OUTLINED IN THE BOARD MATERIALS. THE MOTION WAS SECONDED BY MR. SEIBEL.**

**Ayes:** Ms. Goodhouse, Representative Dockter, Senator Grabinger, Mr. Adam Miller, Mr. Seibel, Mr. Wilke, and Chairperson Rindy.

**Nays:** Ms. Wassim and Ms. Smith.

**Absent:** None

## **MOTION PASSED**

### Office Reopen Strategy

Mr. Scott Miller provided information about other agencies' implementation of Executive Order 2020-06.7 which declared that state facilities will open to the public on June 1. The teleworking of staff is continuing to go well, and telephone counseling sessions have gone much better than we initially thought. Members are receiving satisfactory service. The office will remain closed and staff who can continue to work from home will do so. Staff will monitor the situation, and when the circumstances change to make it safer for both our members and our staff to resume in-person meetings, we will begin to re-open the office. Discussion followed with no board action taken.

### Audit Committee Report

The Board was provided with the minutes of the February Audit Committee meeting.

### Strategic Planning Update

Mr. Scott Miller gave an update to the three-year strategic plan that was adopted at the December 2019 board meeting. Six months into the plan, NDPERS staff is well on their way to completing the goals for 2020.

## **MEMBER**

### Member Appeal Case #579 follow-up

Mr. Scott Miller indicated this agenda item was noticed for Executive Session.

**MS. SMITH MOVED TO ENTER INTO EXECUTIVE SESSION PURSUANT TO NDCC §44-04-19.2, §44-04-19.2(1) AND §54-52-26 TO DISCUSS CONFIDENTIAL RECORDS OR CONFIDENTIAL MEMBER INFORMATION. THE MOTION WAS SECONDED BY MS. WASSIM.**

**Ayes:** Ms. Goodhouse, Representative Dockter, Ms. Wassim, Senator Grabinger, Mr. Adam Miller, Ms. Smith, Mr. Wilke, Mr. Seibel, and Chairperson Rindy

**Nays:** None

**Absent:** None

### **MOTION PASSED**

All members named above, NDPERS staff, and the attorney were in attendance by telephone for the Executive Session (closed meeting, electronically recorded) which began at 12:24 P.M.

The Board returned to open session at 1:07 P.M. Roll call was taken, and a quorum was present.

**MS. WASSIM MOVED TO ADOPT THE ADMINISTRATIVE LAW JUDGE ORDER AND REQUIRE THE MEMBER TO REPAY THE OVERPAYMENT IN ACCORDANCE WITH AN ACTUARIAL REDUCTION EFFECTIVE AUGUST 1, 2020. THE MOTION WAS SECONDED BY MS. GOODHOUSE.**

**Ayes:** Ms. Goodhouse, Representative Dockter, Ms. Wassim, Mr. Adam Miller, Ms. Smith, Mr. Seibel, Mr. Wilke, and Chairperson Rindy.

**Nays:** None

**Absent:** Senator Grabinger

### **MOTION PASSED**

Chairperson Rindy called for any other business or comments. Hearing none the meeting was adjourned at 1:12 P.M.

Prepared by,

Jan Lund  
Assistant to the Board