

MINUTES

North Dakota Public Employees Retirement System Tuesday, June 13, 2023 8:30 A.M.

Members In Person: Chairperson Mona Rindy
Ms. Casey Goodhouse
Mr. Adam Miller
Mr. Jason Grueneich
Rep. Greg Stemen
Rep. Jason Dockter
Sen. Dick Dever
Mr. Jeffry Volk

Members Absent: Sen. Shawn Vedaa

Others: Mr. Scott Miller, NDPERS
Mr. Derrick Hohbein, NDPERS
Ms. Rebecca Fricke, NDPERS
Ms. Katheryne Korom, NDPERS
Ms. Shawna Piatz, NDPERS
Ms. MaryJo Anderson, NDPERS
Ms. Julie Bodenski, Humana
Mr. Mark Powell, Humana
Ms. Rebekah Ferstadt, Buck Consulting
Mr. Ron Ariel, Buck Consulting

Chairperson 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 May 9, 2023, and May 12, 2023, Special Meeting minutes.

MR. ADAM MILLER MOVED TO APPROVE THE MINUTES OF THE MAY 9, 2023, AND MAY 12, 2023, SPECIAL MEETING. THE MOTION WAS SECONDED BY MS. GOODHOUSE AND CARRIED BY A VOICE VOTE. THE MINUTES WERE APPROVED.

PRESENTATIONS

Humana - 2022 Medicare Part D Plan Overview

Ms. Julie Bodenski and Mr. Mark Powell presented the Humana Medicare Part D Prescription Drug Plan 2022 Plan Year Review. This was the first year Humana has administered the NDPERS Part D Plan, therefore, no historical comparisons were available. Humana's presentation included Membership and Utilization data, Medication Therapy Management (MTM) information, and Customer Service and Membership Engagement statistics. The presentation concluded with a look forward at cost share changes and impacts of the Inflation Reduction Act.

RETIREMENT

457 Companion Plan & 401(a) Plan 1st Quarter 2023 Report

Mr. Derrick Hohbein presented the quarterly investment report that was reviewed by the Investment Subcommittee at its last meeting. Callan gave a market overview and investment performance report to the committee. The Investment Committee will be bringing forward a recommendation to the July Board meeting regarding handling participant fees as part of the Recordkeeper RFP. The final RFP will be brought to the full board for approval at the August 2023 meeting.

GROUP INSURANCE

Group Voluntary Vision Benefits Plan Evaluation/Select Vendor

This agenda item was noticed for Executive Session for the board, staff, and consultants to discuss negotiating strategy with the attorney in a Closed Session.

MS. GOODHOUSE 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. Grueneich, Representative Dockter, Mr. Adam Miller, Representative Stemen, Mr. Jeffrey Volk, Senator Dever, Ms. Goodhouse, and Chairperson Rindy

Nays: None

Absent: Senator Vedaa

MOTION PASSED

All members named above, attorney Dean DePountis, representatives from Buck Consultants Rebekah Ferstadt, and Ron Ariel, NDPERS staff members Scott Miller, Rebecca Fricke, Derrick Hohbein, Katheryne Korom, Shawna Piatz, Lindsay Schaf, Jan Lund, and Brittany Berreth were in attendance for the Executive Session (closed meeting, electronically recorded) which began at 9:22 A.M. The meeting returned to Open Session at 10:03 A.M.

MR. GRUENEICH MOVED APPROVAL FOR THE CONSULTANT AND STAFF TO REQUEST THE BEST AND FINAL OFFER (BAFO) FROM THE TWO TOP-RANKED VENDORS. THE MOTION WAS SECONDED BY REPRESENTATIVE STEMEN.

Ayes: Mr. Grueneich, Representative Dockter, Mr. Adam Miller, Representative Stemen, Senator Dever, Mr. Jeffrey Volk, Ms. Goodhouse, and Chairperson Rindy

Nays: None

Absent: Senator Vedaa

MOTION PASSED

THE BOARD TOOK A SHORT BREAK FROM 10:04 A.M. TO 10:19 A.M.

Uniform Group Insurance Consultant Request for Proposal

Ms. Kathryn Korom provided an overview of the draft Request for Proposal and a timeline for the proposal process. The consultant provides actuarial and consulting services primarily for the health and Medicare Part D plans, but may also provide services regarding the life, dental, vision, and Employee Assistance Program areas. It was noted that the current contract with Deloitte Consulting had been extended one year to get it off-cycle from the health plan bid cycle.

REPRESENTATIVE DOCKTER MOVED TO APPROVE THE UNIFORM GROUP INSURANCE CONSULTANT REQUEST FOR PROPOSAL AND TIMELINE. THE MOTION WAS SECONDED BY SENATOR DEVER.

Ayes: Mr. Grueneich, Representative Dockter, Mr. Adam Miller, Representative Stemen, Mr. Jeffrey Volk, Senator Dever, Ms. Goodhouse, and Chairperson Rindy

Nays: None

Absent: Senator Vedaa

MOTION PASSED

Health Insurance Plan Administrative Service Agreement Exhibits

Ms. Rebecca Fricke discussed updates to the Certificate of Insurance (COI) and Summary of Benefits and Coverage (SBC), rates, how settlements are calculated, the About the Patient program coordination, the Wellness Program, the required Business Associate Agreement, and the Health Savings Account (HSA) Administration Agreement. Exhibit B relates to Performance Guarantees and will be brought to the board at a future meeting.

SENATOR DEVER MOVED TO APPROVE THE HEALTH INSURANCE ADMINISTRATIVE SERVICE AGREEMENT EXHIBITS A, C, D, E, G, H, AND I. THE MOTION WAS SECONDED BY MR. GRUENEICH.

Ayes: Mr. Grueneich, Representative Dockter, Mr. Adam Miller, Representative Stemen, Senator Dever, Ms. Goodhouse, and Chairperson Rindy

Nays: None

Absent: Senator Vedaa

MOTION PASSED

Health Plan Claims Review

Chief Audit Officer Shawna Piatz summarized the results of a review of a sample of SHP medical and pharmaceutical claims for the previous plan year. The 2022 review report format was revised from previous reports. The results were framed as observations with recommendations and management responses to each of the findings. The report was shared with the Audit Committee at their May meeting.

MISCELLANEOUS

Legislative Implementation

Ms. Rebecca Fricke reviewed a list of bills passed during the 2023 Legislative Session that have an impact on NDPERS benefits. She provided a detailed update on the work effort of staff to implement each of the bills. Discussion followed.

Contracts Under \$10,000

Mr. Scott Miller updated the board on contracts he signed since the last report.

November Board Planning Meeting

In the month of November of odd-numbered years, the board has held a day-long planning meeting in place of a regular board meeting. Mr. Scott Miller reviewed the agenda from the 2021 planning meeting and gave a brief recap of previous meetings. The board directed staff to move forward to setting up a meeting in November 2023.

Litigation Update

Mr. Scott Miller reported that oral arguments are scheduled for Thursday, June 28th.

Board Election Results

The Election Subcommittee met on Monday, June 12 to canvass the electronic ballots for the active member position. Mr. Tyler Erickson received the highest number of votes and will serve a five-year term on the NDPERS Board beginning July 1, 2023.

MR. GRUENEICH MOVED TO ACCEPT THE REPORT OF THE ELECTION COMMITTEE AND RECOGNIZE MR. TYLER ERICKSON AS THE NEW ACTIVE-ELECTED BOARD MEMBER FOR A FIVE-YEAR TERM EFFECTIVE JULY 1, 2023. THE MOTION WAS SECONDED BY REPRESENTATIVE STEMEN.

Ayes: Mr. Grueneich, Mr. Jeffrey Volk, Representative Dockter, Mr. Adam Miller, Representative Stemen, Senator Dever, Ms. Goodhouse, and Chairperson Rindy

Nays: None

Absent: Senator Vedaa

MOTION PASSED

Audit Committee Minutes

Ms. Shawna Piatz summarized the minutes of the March 15th meeting of the Audit Committee, including the Pharmacy Benefit Manager (PBM) audit report from the State Auditor's Office and the annual performance evaluation of the Chief Audit Officer.

Audit Committee Charter and Internal Audit Charter

Ms. Piatz reviewed recommended changes and updates to the Audit Committee Charter and the Internal Audit Charter.

SENATOR DEVER MOVED TO ACCEPT THE CHANGES MADE TO THE AUDIT COMMITTEE CHARTER AND THE INTERNAL AUDIT CHARTER. THE MOTION WAS SECONDED BY MS. GOODHOUSE.

Ayes: Mr. Jeffrey Volk, Mr. Grueneich, Representative Dockter, Mr. Adam Miller, Representative Stemen, Senator Dever, Ms. Goodhouse, and Chairperson Rindy

Nays: None

Absent: Senator Vedaa

MOTION PASSED

Sagitec Maintenance Contract

Mr. Derrick Hohbein presented the Maintenance and Support Agreement with Sagitec Solutions. He provided a breakdown of Licensing and Developing & Consulting costs from the last three biennia. He noted that the 2023-2025 cost is the same as the agency's budget request.

REPRESENTATIVE STEMEN MOVED TO APPROVE THE MAINTENANCE AGREEMENT WITH SAGITEC AND AUTHORIZE THE EXECUTIVE DIRECTOR TO SIGN THE CONTRACT. THE MOTION WAS SECONDED BY MS. GOODHOUSE.

Ayes: Mr. Grueneich, Representative Dockter, Mr. Adam Miller, Representative Stemen, Senator Dever, Mr. Jeffrey Volk, Ms. Goodhouse, and Chairperson Rindy

Nays: None

Absent: Senator Vedaa

MOTION PASSED

Presort Contract

Mr. Hohbein reviewed courier services provided by Presort Plus. The mail services agreement for 2023-2025 has been reviewed by legal counsel and reflects a 3 percent increase in price.

MR. VOLK MOVED TO APPROVE THE TWO-YEAR AGREEMENT WITH PRESORT PLUS AND AUTHORIZE THE EXECUTIVE DIRECTOR TO SIGN THE CONTRACT. THE MOTION WAS SECONDED BY MR. GRUENEICH.

Ayes: Mr. Grueneich, Representative Dockter, Mr. Adam Miller, Representative Stemen, Senator Dever, Mr. Jeffrey Volk, Ms. Goodhouse, and Chairperson Rindy

Nays: None

Absent: Senator Vedaa

MOTION PASSED

Office Lease

Mr. Hohbein reported that the office lease with WSI is at a hold-even rate and extends the office lease through the end of June 2025.

MS. GOODHOUSE MOVED TO APPROVE THE TWO-YEAR OFFICE LEASE WITH WORKFORCE SAFETY AND INSURANCE AND AUTHORIZE THE EXECUTIVE

DIRECTOR TO SIGN THE CONTRACT. THE MOTION WAS SECONDED BY SENATOR DEVER.

Ayes: Mr. Grueneich, Representative Dockter, Mr. Jeffrey Volk, Mr. Adam Miller, Representative Stemen, Senator Dever, Ms. Goodhouse, and Chairperson Rindy

Nays: None

Absent: Senator Vedaa

MOTION PASSED

THE BOARD TOOK A SHORT BREAK FROM 11:57 A.M. TO 12:02 P.M.

MEMBER

Retirement Appeal Case #812

This agenda item was noticed for Executive Session.

MS. GOODHOUSE MOVED TO ENTER INTO 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. THE MOTION WAS SECONDED BY SENATOR DEVER.

Ayes: Mr. Grueneich, Representative Dockter, Mr. Adam Miller, Representative Stemen, Senator Dever, Ms. Goodhouse, Mr. Jeffrey Volk, and Chairperson Rindy

Nays: None

Absent: Senator Vedaa

MOTION PASSED

All members named above, attorney Dean DePountis, NDPERS staff members Scott Miller, Rebecca Fricke, Derrick Hohbein, MaryJo Anderson, Shawna Platz, Brittany Berreth, and Jan Lund were in attendance for the Executive Session (closed meeting, electronically recorded) which began at 12:03 P.M. The meeting returned to Open Session at 12:31 P.M.

MR. ADAM MILLER MOVED TO AFFIRM THE DECISION OF STAFF AND DENY THE APPEAL. THE MOTION WAS SECONDED BY REPRESENTATIVE STEMEN.

Ayes: Mr. Grueneich, Mr. Jeffrey Volk, Representative Dockter, Mr. Adam Miller, Representative Stemen, Senator Dever, Ms. Goodhouse, and Chairperson Rindy

Nays: None

Absent: Senator Vedaa

MOTION PASSED

With no further business, the meeting was adjourned at 12:33 P.M.

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Prepared by,

Jan Lund
Assistant to the Board